



Daily Report

China

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General

Foreign Ministry Holds Weekly Briefing

Criticism of Gromyko Memoirs

HK021416 Beijing ZHONGGUO XINWEN SHE
in Chinese 1205 GMT 2 Mar 88

[Text] Beijing, 2 Mar (ZHONGGUO XINWEN SHE)—Foreign reporters in Beijing have shown great interest in China's criticism of Gromyko's memoirs as inconsistent with the facts. Today, in reply to a reporter's question Lin Jinhua, Chinese Foreign Ministry spokeswoman, said: Many descriptions in Gromyko's memoirs relating to the history and present state of Sino-Soviet relations contradict the facts.

Li Jinhua said: Gromyko did visit China in 1958. The spokeswoman, however, stressed that "many" descriptions in Gromyko's memoirs are not true.

AFP on Gromyko Dispute

HK021106 Hong Kong AFP in English 1101 GMT
2 Mar 88

[Text] Beijing, March 2 (AFP)—China stepped up the controversy Wednesday over the memoirs of Soviet President Andrey Gromyko, who charges in his book that Mao Zedong proposed an atomic massacre of U.S. troops in 1958.

"Many of the recollections and descriptions in Gromyko's memoirs relating to the history and the present state of Sino-Soviet relations do not square with facts," Chinese Foreign Ministry Spokeswoman Li Jinhua told a weekly press briefing Wednesday.

The former Soviet foreign minister says in his memoirs that Mao, who died in 1976, proposed during a secret visit Mr. Gromyko made to China in 1958 that U.S. troops be lured into China and then wiped out by Soviet nuclear weapons.

Observers here said Beijing appeared to have stepped up the dispute Wednesday by expanding the scope of the original statement and bringing Sino-Soviet relations into the picture.

Analysts pointed out that Chinese leaders have never been overly fond of Mr. Gromyko, who headed the Soviet Foreign Ministry from 1957 to 1985.

They said Beijing has resented his giving priority to U.S.-Soviet relations and relegating China to the backburner on the international scene.

Mr. Gromyko said in his memoirs that he firmly turned down Mao's proposition.

His secret visit to China in 1958 would have taken place two years before the split between Moscow and Beijing.

Sino-Soviet relations have been on the upswing again since 1982.

Normalizing Indonesian Ties

HK020958 Hong Kong AFP in English 0946 GMT
2 Mar 88

[Text] Beijing, March 2 (AFP)—China said Wednesday that it saw "no difficulties" in normalising its ties with Indonesia and renewed a pledge to stay out of the country's internal affairs.

The Chinese Foreign Ministry statement followed a request by Indonesian President Suharto Tuesday that Beijing confirm that it would not interfere in his country's internal affairs.

"With regard to the relations between China and Indonesia, the Chinese side has on many occasions made its position quite clear," Ministry Spokeswoman Li Jinhua told reporters at a weekly briefing here.

"China never interferes in the internal affairs of other countries," she said, adding: "On the restoration of diplomatic relations between China and Indonesia, the Chinese side does not have any difficulties."

Mr. Suharto said Tuesday that his country's ties with China were unchanged and hinged on Beijing's pledge to avoid helping "remnants of Communist elements" and thus stay out of the internal affairs of other countries.

Indonesia froze diplomatic ties with China in 1967 after it accused Beijing of involvement in a failed Communist-backed coup attempt two years earlier, but the two countries resumed direct trade in 1985.

The issue of Indonesia-China ties resurfaced in January when former U.S. Ambassador to Indonesia Marshall Green urged Jakarta to reconsider its policy towards Beijing.

Spratly Islands Sovereignty

HK021252 Beijing ZHONGGUO XINWEN SHE
in Chinese 1205 GMT 2 Mar 88

[Text] Beijing, 2 Mar (ZHONGGUO XINWEN SHE)—Today, the Chinese Foreign Ministry reiterated that China has indisputable sovereignty over the Nansha [Spratly] Islands.

In reply to a reporter's question today Li Jinhua, a spokeswoman for the Chinese Foreign Ministry, said: If Vietnam, in disregard of China's persistent position, obstructs China's legitimate activities within the Nansha Islands, it will have to bear responsibility for all the consequences arising therefrom.

Li Jinhua said this in response to a report that Vietnam might send naval units to the Nansha Islands.

'Success' of Balkan Meeting

OW020840 Beijing XINHUA in English 0836 GMT
2 Mar 88

[Text] Beijing, March 2 (XINHUA)—The Chinese Government expressed congratulations on the success of the meeting of foreign ministers of Balkan countries and appraised it favourably, said a Chinese Foreign Ministry spokesman here this afternoon.

Speaking at the weekly news briefing here, the spokesman said the meeting of the foreign ministers of Balkan countries, the first of its kind in the history of their relations, was recently held in Belgrade.

The Chinese Government has always maintained that Balkan belongs to the Balkan people and its problems should be settled by the people of the Balkan countries themselves.

"We support and appreciate all proposals and activities conducive to peace and development of the region. We are convinced that the positive results achieved at the meeting are bound to spur the development of multilateral and bilateral cooperation among the Balkan countries and will help strengthen security and stability in the region," the spokesman said.

Wu Xueqian Departs for U.S., UK Visits

HK021022 Beijing ZHONGGUO XINWEN SHE
in Chinese 0913 GMT 2 Mar 88

[Text] Beijing, 2 Mar (ZHONGGUO XINWEN SHE)—Chinese Foreign Minister and State Councillor Wu Xueqian left Beijing this morning for his 2-week visit to the United States and Britain, to exchange views on the major international issues of common concern and problems relating to bilateral relations.

This will be his second official visit to the United States and first official visit to Britain in his capacity as foreign minister.

His seven-person delegation includes Director of the Department of American and Oceanic Affairs Liu Huaqiu; and Director of the Department of West European Affairs Jiang Enzhu.

It has been learned that during the visit Wu Xueqian will attend the opening ceremony of the Chinese Consulate-General in Los Angeles. He will also deliver speeches at the U.S. National Press Club and the British Royal Institute for International Affairs on China's opening up policy, its independent and peaceful foreign policy, and China's relations with the United States and Britain. At a stopover in Paris he will also have a meeting with the French foreign minister.

PLO 'Normal' Participation in UN Supported

OW011950 Beijing XINHUA in English 1900 GMT
1 Mar 88

[Text] United Nations, March 1 (XINHUA)—China today strongly called on the United States to abide by its obligations under its agreement with the United Nations and "to take appropriate measures to ensure the normal functioning of the Palestine Liberation Organization mission" at the world body.

Chinese Permanent Representative Li Luye told the U.N. General Assembly that the rights PLO enjoys under the U.N. headquarters agreement "should be respected" and that the "normal participation of the PLO mission in the U.N. activities should be guaranteed."

He expressed the Chinese delegation's support for the efforts made by the U.N. secretary-general and the Arab group of U.N. members for an appropriate solution to this question.

Ambassador Li was among the dozen odd speakers addressing the General Assembly this morning.

The assembly, which voted 147 to 1 last December against the U.S. law which threatens to close the PLO New York offices, has been reconvened at the request of the Arab group to consider the matter.

Li said with the U.N. headquarters agreement, the United States as the host country "is bound by its treaty obligations to permit the PLO observer mission personnel to enter and remain in the U.S. so as to carry out their official duties at the U.N."

"Over the past decade or more, the legitimate rights of the PLO as it has enjoyed have all along been respected and guaranteed in the practice of the host country," Li recalled.

Li described the issue as an attempt of the relevant U.S. authorities "to avoid honoring their obligations under international law by way of domestic legislation."

"Such an act of willfully violating one's international treaty obligations, if going unchecked, will not only seriously harm and obstruct the normal functioning of a mission at the U.N., but also create a dangerous precedent, thus threatening fundamentally the legal effect of the U.N. headquarters agreement."

"It is hence unacceptable to the international community," he noted.

Li went on to say "the PLO is wholeheartedly supported by the Palestinian people" and universally recognised as "their legitimate representative."

The voice of the PLO should be given due attention by the U.N., he said. "Without its participation, there will not be a comprehensive, just and lasting settlement of the Middle East question."

Li also urged the relevant quarters of the United States "to cooperate with the U.N. in an effort to seek a proper way to solve this question in a fair and reasonable manner through the relevant procedures as contained in the agreement for the settlement of the dispute."

Antiterrorist Agreement Signed in Montreal
OW010951 Beijing XINHUA Domestic Service
in Chinese 1416 GMT 25 Feb 88

[Text] Montreal (Canada), 24 Feb (XINHUA)—An agreement on the prevention of and punishment for violence committed at international civilian airports was signed here today by 46 countries, including China.

This "protocol on the prevention of airport violence, which is aimed at serving international civil aviation," was signed at the 16-day international aviation law conference of the International Civil Aviation Organization [ICAO]. In recent years, incidents of hijacking and blowing up civilian aircraft in flight by international terrorists have been increasing, and attacks on international airports have also occurred frequently. This poses a serious threat to the safety of passengers and airport working personnel.

In view of such threats, the ICAO convened an 81-nation aviation law conference on 9 February to discuss joint actions to punish unlawful violence, keep crime at a minimum, and ensure security at international airports.

The protocol signed today stipulates that the signatories to the agreement must take strict precautions against attacks on international airports by terrorists and take legal action against criminals through extradition or by trying them in the country where the crime is committed.

The Montreal Convention signed in 1971 contains strict provisions on preventing unlawful violence in civilian aircraft in use. This protocol is a supplement and an enlargement of the convention.

Addressing the conference on 10 February, Chinese representative Lu Guanghua reiterated that the Chinese Government has consistently opposed all forms of terrorism. He called for closer international cooperation and for more effective legal means to avert and curb illegal violent acts.

Third World Development Symposium Planned
OW020458 Beijing XINHUA in English 1318 GMT
1 Mar 88

[Text] Beijing, March 1 (XINHUA)—The Chinese Association for International Understanding will hold an international symposium on the development strategy for Third World countries here in the first half of next year.

This was announced by Zhang Zhixiang, vice-president of the association, at its fourth council meeting here today.

Zhang, who has been engaged in overseas political and cultural exchanges for more than 30 years, said at the meeting that the association has established ties with 78 countries and about 200 different types of political parties and research bodies.

Over the past three years, Zhang said, the association has played host to more than 1,000 foreign visitors.

Zhang expressed the hope that the association would further undertake non-governmental contacts, and promote mutual understanding, and economic and technological cooperation with foreign countries.

The meeting was presided over by president of the association Li Yimang.

Also present on the occasion were Zhu Xuefan, vice-chairman of the National People's Congress Standing Committee, Fei Xiaotong and Lei Jiqiong, vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference, and council members from other cities and provinces.

Gao Shangquan, vice-minister of the State Commission for Restructuring the Economic System, made a report on China's present economic situation and the progress of the reform.

The meeting elected Zhang Xiangshan as the new vice-president of the association.

State Council Appoints Consuls General
OW010757 Beijing XINHUA Domestic Service
in Chinese 0646 GMT 25 Feb 88

[Text] Beijing, 25 Feb (XINHUA)—The State Council recently appointed Zu Qinshun [4371 2953 5293] to concurrently serve as PRC consul general to San Marino and appointed Liu Chunlin [0491 2504 2651], Wu Decheng [0702 1795 2052], Lu Qi [7120 3825], and Ma Yuzhen [7456 3022 4176] to serve as PRC consuls general in Constanta, Alexandria, Osaka, and Los Angeles respectively (with the rank of ambassador). It removed Yin Yufu [1438 3768 4395] from the post of concurrent PRC consul general in San Marino and Wen Chi from the post of PRC consul general in Osaka.

Southeast Asia & Pacific

Hu Keshi Addresses Asian Population Forum
OW010443 Beijing XINHUA in English 1524 GMT
29 Feb 88

[Text] Beijing, February 29 (XINHUA)—Twenty-nine members of parliament from Asian countries began to hold today in Kuala Lumpur the Fourth Asian Parliamentarians Meeting on Population and Development, according to reports reaching here from Malaysia.

In his address at the opening session, Asian Population and Development Association (APDA) Chairman Tatsuo Tanaka, said every effort must be made to achieve the aim of lowering annual population growth to 1 percent by the year 2000.

"Population problems go beyond national or regional boundaries and must be dealt with from a global perspective," Tanaka said at the meeting organized by the association.

He said Asian countries could take credit for the efforts in combating population growth as they were ahead of other countries in the area of population control.

Earlier, Asian countries were told that they must take more measures to resolve population problems in the light of the 3 billion mark forecast for the region this year.

Vice Chairman of the Asian Forum of Parliamentarians Hu Keshi said at the meeting that the trend of excessive population in many countries in the region, which has 60 percent of the world population, has not yet been checked.

It would be a long-term and arduous task for many countries to seek a proper solution to the problem of population and development, he added.

Members of parliament from Australia, India, Iraq, Korea, Nepal, New Zealand, Singapore, Sri Lanka, Syria, Thailand, Japan and Malaysia are among those attending the 3-day meeting.

'Roundup' on Development of Thai Economy
OW020634 Beijing XINHUA in English 0937 GMT
1 Mar 88

["Roundup: Thai Economic Development Spectacular"
by Ma Shengrong—XINHUA headline]

[Text] Bangkok, March 1 (XINHUA)—Thailand is rising fast among the developing economies in Southeast Asia following its successful performances in restructuring the economy and attracting foreign investment in recent years.

Manufacturing sector of Thailand, traditionally an agricultural country, has grown considerably, particularly in the last two years. The sector now accounts for an estimated 21.8 percent of the gross domestic product (GDP), while the agricultural sector accounts an estimated 12.1 percent of the GDP.

Besides the textile industry, the top foreign exchange earner of the country, footwear, furniture, plastic products, artificial flowers and toys have also been developing rapidly. In the past four years, taking into consideration the average rate of growth, the manufacturing of

toys expanded by 64 percent, artificial flowers by 33 percent, furniture by 25 percent, footwear by 23 percent and plastic products by 20 percent.

The expansion of the manufacturing sector is gradually changing the structure of the Thai economy. The process paralleled the expansion of exports of Thai manufactured goods.

This was due mainly to the fact that Thailand was able to cash in on global changes in exchange rates (since March 1985) and the fall of oil prices (in 1986) which together have altered production costs of different economies, causing Japan and the more industrialized countries and areas in Asia [to] move "upmarket" while [words indistinct] gap for less developed economies in the region.

[Words indistinct] appreciation of the Japanese yen and other currencies, which reduced the value of the Thai baht, coupled with the fall of oil price, have made manufactured goods from Thailand (an oil importer) more competitive in the world market.

In 1986, Thailand registered a 23.7 percent growth of industrial exports over that of 1985.

In the first three quarters [words indistinct] Thailand earned more than 212.7 billion baht (8.5 billion U.S. dollars) through exports. During the period, exports of gems and jewellery, textiles, frozen chicken, rubber and frozen prawns and squid all grew by over 20 percent. But the exports of [word indistinct] and tin nosedived both in volume and value. The sharply rising yen and other currencies and the comparatively low production cost in Thailand have also made the country attractive to foreign investors. A large inflow of foreign investment occurred as currency realignment were prompting investors to relocate their production bases and Thailand was considered to be a good place for investors in Southeast Asia.

Investment in Thailand in 1987 was very active and the prospect for investment is even better this year as many projects which received permission to construct in 1987 have not yet been implemented.

At present, the Thai Government is expected to put more stress on promoting investment in export-oriented industries such as labor-intensive and high-technology manufacturing and food-processing ventures. It will also diversify investment in an attempt to change the present scene which is dominated by Japan.

According to the government's Board of Investment (BOI), Japanese have of late constituted the largest group of foreign investors in the country. During the first eight months of 1987, the BOI received 117 applications from the Japanese with a total investment of 25 billion baht (one billion U.S. dollars).

Besides Japanese, investors from Taiwan are also flocking to Thailand.

Thailand is reportedly thinking seriously of bringing more European investment into the country in order to select those which will truly benefit the local economy.

Meanwhile, the Thai Government is channeling investment to the provinces as much as possible. In September 1987, the BOI announced a new tax incentive structure to promote the location of factories in provincial areas. "A country could not be industrialized when the rural areas are left out in development," a local economist said.

Prime Minister Prem has said that it is right time for economic growth in Thailand. Economic observers here believe that it is important for Thailand to intensify its economic development in the next few years and if Thailand can snatch the opportunity it could be industrialized at the end of the century.

Peng Chong Meets Australian Friendship Group
OW010459 Beijing XINHUA in English 1439 GMT
29 Feb 88

[Text] Beijing, February 29 (XINHUA)—Peng Chong, vice chairman of China's National People's Congress (NPC) Standing Committee, met here today a delegation from the Australia-China Friendship Group of the Federal Parliament of Australia.

After the meeting, Peng attended a dinner in honor of the visitors hosted by the China-Australia Friendship Group of China's National People's Congress.

Speaking at the dinner, Liu Danian, chairman of the China-Australia Friendship Group, noted that since the establishment of diplomatic relations between China and Australia in 1972, leaders of the two countries have exchanged frequent visits and the volume of bilateral trade has grown to over 1.6 billion U.S. dollars.

"Particularly in such fields as iron and steel, nonferrous metal, wool, communications, and transportation, good momentum has emerged for rapid and vigorous expansion of economic and technological cooperation," he added.

He expressed the belief that the visit by the Australian delegation will contribute to friendly contacts between the two countries' parliaments and friendly relations between the two countries. In his reply, C. Hollis, chairman of the Australia-China group, noted that the Australia-China Friendship Group is the largest among friendship groups in the Australian Parliament.

He expressed the belief that exchange of views by parliamentarians of the two countries on legislative procedure will benefit both sides.

The delegation arrived here this afternoon at the invitation of the China-Australia Friendship Group.

Wan Li Meets Group

OW021048 Beijing XINHUA in English 0931 GMT
2 Mar 88

[Text] Beijing, March 2 (XINHUA)—Chinese Vice-Premier Wan Li met a delegation from the Australia-China Friendship Association of the Federal Parliament of Australia, led by its chairman, C. Hollis, here this morning.

Wan said that the frequent exchange of visits between the two countries since the establishment of diplomatic relations in 1972 shows that bilateral relations are close.

He noted that the two countries share identical or similar views on many international issues, and that bilateral economic relations and trade have expanded steadily.

Last year, he said, the volume of trade between the two countries reached 1.6 billion U.S. dollars.

Wan said China imports raw materials, ores and farm produce from Australia, but there still remains a vast potential in bilateral trade that as yet is unrealized.

Australia is currently helping China in the field of education by training teachers and other personnel.

He described Sino-Australian cooperation as a prime example of South-North cooperation.

Hollis said that Australia and China do not have any different views on international issues, and even if they have, they may respect and understand each other.

Hollis said that there does remain a vast potential in bilateral trade and Australia may export more wool to China.

Hollis conveyed the greetings of Prime Minister Robert Hawke to Wan, and Wan in turn asked the chairman to pass along his good wishes to the prime minister upon returning to Australia.

Near East & South Asia

Indirect Talks on Afghanistan Analyzed

OW020850 Beijing XINHUA in English 0835 GMT
2 Mar 88

["News Analysis: Soviet Sincerity About Troops Withdrawal To Be Tested in Geneva Indirect Talks" — XINHUA headline]

[Text] Islamabad, March 2 (XINHUA)—The recent Soviet promise to withdraw from Afghanistan is expected to be tested in the new round of U.N.-sponsored indirect talks on Afghanistan between Pakistan and the Kabul regime, which begins in Geneva today.

Diplomatic sources here described this round of talks as "decisive" for the political settlement of the eight-year-old Afghan crisis resulting from the Soviet invasion of Afghanistan in 1979 since the timetable for the pullout of the estimated 120,000 Soviet troops is probably to be finalized. International attention is now focusing on the Soviet Union to see whether or not it will keep its promise and thus ensure the success of the talks.

Soviet leader Mikhail Gorbachev announced on February 8 that Soviet troops will begin withdrawal from Afghanistan on May 15 if an agreement is reached in the Geneva indirect talks two months before that date and will complete the withdrawal within 10 months.

Pakistan and the Soviet-backed Kabul regime started their indirect talks on the Afghanistan problem in Geneva in April 1982 under the auspices of the United Nations. During the last seven rounds of talks, both sides have completed three instruments of a four-part treaty, which include non-intervention and non-interference, international guarantees against interference and return of Afghan refugees. An acceptable timetable for the withdrawal of the Soviet troops from Afghanistan is to be fixed to the fourth instrument on the inter-relationship of the settlement accords drafted by U.N. mediator on Afghanistan Diego Cordovez.

The current round of indirect talks is the result of Cordovez's latest three-week shuttle diplomacy between Islamabad and Kabul, which started on January 20, to seek a political settlement of the Afghanistan issue.

Apart from the finalization of the timetable, some specific issues such as the phased troops withdrawal and sending of U.N. peace-keeping force to Afghanistan to supervise the withdrawal are also expected to be settled at the talks. People here are of the view that since the Afghanistan issue has directly resulted from the Soviet invasion, the key to the issue is the unconditional and complete withdrawal of the Soviet troops from the country. Besides, they maintained that it is also necessary to form a broad-based interim government in Afghanistan to facilitate the withdrawal of the Soviet troops and the safe return of Afghan refugees to their homeland.

The Pakistan Government has made it clear that a broad-based interim government acceptable to the Afghan people and all the parties concerned could maintain peace inside Afghanistan and enable Afghan refugees to return to their homes in dignity and honor.

Since the Soviet Union invaded Afghanistan in December 1979, about 5 million Afghan people have been forced to seek shelter on foreign lands. Pakistan has to bear the burden of housing more than 3 million Afghan refugees.

Earlier, Pakistan declared that it would not sign an agreement with the Kabul regime in Geneva because it does not recognize the Moscow-installed regime and said it would sign the agreement with the "legitimate" government in Afghanistan.

However the Soviet Union opposes Pakistan's approach which it claimed is obstructing the settlement of the Afghanistan issue. Soviet First Deputy Foreign Minister Yuliy Vorontsov said recently that "it depends now only on Pakistan whether the Geneva agreement will be or will not be signed soon."

Cordovez also supports Pakistan for a comprehensive settlement of the Afghanistan issue. He proposed a double-track approach—finalization of the Geneva drafts and creation of transitional arrangements in Afghanistan. In this connection, the U.N. mediator met and discussed the matter with leaders of the Seven-Party Alliance of Afghan mujahideen (holy-war fighters) during his latest shuttle diplomacy.

Besides, Pakistan has repeatedly asked for Soviet cooperation in forming a broad-based transitional government in Afghanistan. Pakistan Minister of State for Foreign Affairs Zain Noorani said on February 29 before his departure for the Geneva talks that he would again take up the matter with Cordovez in the talks to speed up efforts for the formation of the interim government. The Afghan mujahideen alliance has given concrete proposals concerning the framework and structure of the interim government.

Observers here hold that if the Soviet Union is really sincere about the settlement of the Afghanistan issue, it should fulfil its commitment and pull its troops out of Afghanistan. At the same time, it should also cooperate with the parties concerned in setting up a broad-based transitional government in Afghanistan to maintain peace and order in that country.

CPC Delegation Meets YAR Vice President
OW020325 Beijing XINHUA in English 2012 GMT
1 Mar 88

[Text] Sanaa, March 1 (XINHUA)—Arab Yemeni Vice-President 'Abd al-Karim al 'Arashi received here this morning Li Zhechi, head of the visiting Chinese Communist Party delegation.

In their talks, the two sides reviewed friendly ties and cooperation between the two countries and hoped to further develop the friendly relations.

Li praised Arab Yemen's achievements in all fields under the leadership of President 'Ali 'Abdullah Salih.

He also expressed his confidence that Arab Yemen's General People's Conference, which invited the Chinese Communist Party delegation to visit Arab Yemen, will achieve greater success in its fight for a better future for the Arab Yemeni people.

Sub-Saharan Africa

Further on Visit by Zambian President

Meets Zhao Ziyang

OW011541 Beijing XINHUA in English 1438 GMT
1 Mar 88

[Text] Beijing, March 1 (XINHUA)—Chinese Communist Party leader Zhao Ziyang met here today Kenneth David Kaunda, president of Zambia and general secretary of Zambia's United National Independence Party.

During the meeting, Zhao, general secretary of the Chinese Communist Party Central Committee, expressed satisfaction with new developments in the relations between the two parties and countries.

He praised Kaunda for his contributions to the growth of Sino-Zambian relations and expressed the belief that Kaunda's current visit will help promote bilateral relations.

Kaunda replied that Zambia-China relations, established on a sound basis, will continue to grow with each passing day. Briefing the Zambian president on China's situation, Zhao said that the marked changes taking place in China in the past nine years cannot be separated from the country's policies for reform and opening to the outside world.

Kaunda noted that he could see improvements in the Chinese people's life and spirit compared with what he had observed on his last visit to China eight years ago.

After the meeting Zhao hosted a dinner for Kaunda, his wife and their party.

Assesses Ties in Interview

OW011835 Beijing XINHUA in English 1735 GMT
1 Mar 88

[Text] Beijing, March 1 (XINHUA) — Visiting Zambian President K.D. Kaunda said here today that "the future of the happy relations between China and the African continent is very bright."

In an exclusive interview with XINHUA here tonight, Kaunda, who is current executive chairman of the Organization of African Unity and executive chairman of the summit of the frontline states in southern Africa, said, "I do not know an African leader who does not speak highly of China."

China is an anti-imperialism and anti-hegemony country and most African leaders know the views of the Chinese leadership, he said.

"These are things that matter in life when you think of how friendship is built up between countries and groups of people," he added.

On economic relations between China and Africa, Kaunda said that Zambia is in favour of forming joint ventures in addition to the traditional forms of economic cooperation.

Joint ventures can be launched between the Chinese Government and the government of an African country or between a government of one country and an enterprise of another country.

He held that the future of Sino-African economic relations lies in establishing joint ventures as a great number of schemes can be launched in the form of joint ventures between the two sides in the interest of Africa.

China, although a developing country, can transfer funds as well as experience and technical knowhow to African countries by launching joint ventures, he said.

"This is an important part of South-South cooperation which adds a healthy element to the present-day international economic relations," he said.

Dwelling on his current visit in China, he said that the visit is going on very successfully. He believed that the visit will lift the Sino-Zambian relations to a new height.

Meets NPC Official

OW011426 Beijing XINHUA in English 1315 GMT
1 Mar 88

[Text] Beijing, March 1 (XINHUA)—Zambian President Kenneth Kaunda met with Rong Yiren, vice chairman of the Standing Committee of the China National People's Congress, this afternoon at the Diaoyutai State Guesthouse. They exchanged views on further economic cooperation between the two countries.

Economic Accord Signed

OW020826 Beijing XINHUA in English 0721 GMT
2 Mar 88

[Text] Beijing, March 2 (XINHUA)—An agreement on economic and technological cooperation between China and Zambia was signed here this morning.

Chinese President Li Xiannian and Zambian President Kenneth David Kaunda attended the signing ceremony.

The signatories to the document were Lu Xuejian, Chinese vice-minister of foreign economic relations and trade, and Zambian Ambassador to China M. Mainza Chona.

Kaunda and his wife left here this morning for Xian and Guangzhou. Li Xiannian and his wife Lin Jiamei went to the Diaoyutai state guesthouse to bid farewell to the Zambian visitors.

Li said Kaunda's current visit to China has further closed [as received] the Sino-Zambian relations. Kaunda briefed Li on his meetings with old Chinese friends and new Chinese leaders.

Chinese Minister Qian Yongchang and his wife accompanied the Zambian visitors on their tour.

Pact on Building Teachers' College in Zimbabwe
OW280211 Beijing XINHUA in English 1843 GMT
26 Feb 88

[Text] Harare, February 26 (XINHUA)—China and Zimbabwe signed a protocol here today on the construction of Chinhoyi Teachers Training College in Zimbabwe.

Under the protocol, the college will be designed in Zimbabwe but constructed by the China National Complete Plant Export Corporation. The cost of the construction will be shared on a 50:50 basis by the two countries, with China providing an interest-free long-term loan.

The construction of the college would include the building of more than 50 houses with a total building area of 38,000 square metres. The college will be able to accommodate 2,000 students in a campus of 62 hectares.

The protocol was signed by Zimbabwean National Housing and Public Construction Minister Joseph Msika and Chinese Ambassador to Zimbabwe Zheng Yaowen.

Speaking at the signing ceremony, Msika praised China as one of the leading countries that came to the aid of Zimbabweans during the liberation struggle and provided them with armaments during that struggle.

Since Zimbabwe's independence "China has come forward to assist us prosecute an even more complex and difficult struggle for the development of our country," he said.

In reply, Chinese Ambassador Zheng Yaowen said: "As a developing socialist country, China will continue to provide economic aid to friendly countries on similar terms as before. At the same time we'll adhere to the principles of equality and mutual benefit, emphasis on practical results, variety in form and common development, and work hard to develop and explore on a wider-scale various flexible types of economic and technical cooperation with other nations."

South African TU Suppression 'Fascist Crime'
OW280341 Beijing XINHUA in English 1529 GMT
26 Feb 88

[Text] Beijing, February 26 (XINHUA)—A Chinese trade union leader today strongly condemned the South African authorities' banning of any political activities by South African Trade Union Congress and 17 domestic anti-apartheid organizations.

"This is a new fascist crime committed by the South African authorities in suppressing the struggle of the South African people including workers," said the leader of the All-China Federation of Trade Unions in a statement.

But their attempt to stamp out the flames of the struggle against racism would come to no avail, he said.

"The ban will only serve to arouse stronger resistance from the South African workers and people," he said.

"The Chinese trade unions will, as always, resolutely support the South African workers' just struggle against racism and for racial equality until their final victory," he said.

West Europe

San Marino Leaders, Delegation End Visit
OW020308 Beijing XINHUA in English 0849 GMT
1 Mar 88

[Text] Guangzhou, March 1 (XINHUA) — Captains Regent (heads of state) Gian Franco Terenzi and Rossano Zafferani of the Republic of San Marino, their wives and party wound up their week-long official goodwill visit to China and left here for home by air this morning.

Yesterday evening, Ye Xuanping, governor of Guangdong Province, hosted a banquet here for the San Marino captains regent.

The San Marino guests arrived here at noon yesterday after a tour of Beijing, Xian, Shanghai, Yangzhou and Nanjing. Here they visited a beer plant, a household electrical appliances corporation and were shown around a museum.

Zheng Taobin Meets EC Commission
OW020246 Beijing XINHUA in English 0229 GMT
2 Mar 88

[Text] Brussels, March 1 (XINHUA)—China and the European Community (EC) are both "very satisfied" with the progress in their economic and trade cooperation and are prepared to push their ties to a new high.

This was the key-note conclusion of the high-level economic talks held here today between Zheng Tuobin, Chinese foreign economic relations and trade minister, and Willy de Clerq, EC commissioner in charge of external relations and economic policy.

During the 2-and-1/2-hour talks, the 2 sides exchanged views on the world economic situation, EC-China bilateral relations and other issues of common interest.

Economic and trade relations between EC and China have expanded rapidly in the past 2 years. In 1987, the community rose to be China's third largest trading partner as their bilateral trade reached a record value of 11.2 billion dollars.

The community has also surpassed the United States and Japan to become the largest technology and equipment supplier of China.

The two sides shared the view that in the unstable world economic situation, the fact that they could sit together to talk about their cooperation in trade and economy was highly significant as it was in the interests of both sides.

De Clerq, on his part, also expressed welcome to China's economic reform and, in particular, the policy of opening to the outside world.

Referring favorably to the 13th Congress of the Chinese Communist Party held not long ago, he said the decisions of the congress have provided a guarantee for the continuation of China's opening policy.

On the issue of resuming China's membership in the GATT (General Agreement on Tariffs and Trade), De Clerq said the community would adopt a positive attitude.

The two sides also explored possibilities of opening up new ground for further cooperation.

Zheng Tuobin arrived here last Saturday as the head of a big Chinese economic and trade delegation. Most of the hundred or so delegation members are taking part in the 3rd EC-China business week which opened here Tuesday.

At the end of the talks today, Zheng and De Clerq signed an agreement on EC aid to China in developing dairy industry in a 5-year project ending 1992.

EC Grants Dairy Industry Aid to PRC
OW011858 Beijing XINHUA in English 1457 GMT
1 Mar 88

[Text] Brussels, March 1 (XINHUA)—The European Community (EC) and China signed an agreement here today on EC dairy aid to China which totalled 76.15 Million ECUS (92.9 Million U.S. Dollars).

Under the agreement, reached in the course of an EC-China Business Week which opened here yesterday, the community will grant China decreamed milk powder and dehydrated butter valued at 71.65 Million ECUS (87.41 Million U.S. Dollars) and a supplementary aid in cash of 4.5 Million ECUS (5.49 Million U.S. Dollars) during a five-year period from 1988 to 1992.

The package was designed to help China develop dairy industry in some 20 cities and it accounted for about one third of the total investment China planned to put into the project.

It was estimated that by the year of 1992 when the agreement expires, total number of livestock in the aid recipient Chinese cities would increase to 389,000 from the present 264,000, with a milk production of 170,000 tons.

This would result in an increase of between 60 and 70 per cent in the national milk production and commercial milk supply compared to 1986.

EC-China Business Week Opens in Brussels
OW011056 Beijing XINHUA in English 0207 GMT
1 Mar 88

[Text] Brussels, February 29 (XINHUA)—More than 300 Chinese and European businessmen gathered here today to mark the opening of a grand fair jointly sponsored by the European Community (EC) and China.

Called EC-China Business Week, the fair is the third in eight year designed to boost trade and cooperation between the two sides.

The first two fairs were held in April 1981 and December 1985 respectively at the same place, an exhibition center in Brussels, where the community is headquartered.

Willy de Clerq, EC commissioner responsible for external relations and trade policy, opened the fair with a speech in which he spoke favorably of China's on-going economic reform.

The restructuring of China's economic system had provided "room for much greater growth" in its trade with the community, he said. Because of this, their bilateral cooperation "is now very firmly grounded."

The commissioner called on EC firms to expand ties with China, say that "real opportunities" would be provided on the Chinese market in the coming years along with China's implementation of its 7th Five-Year Plan.

But he hoped that China should take effective measures to ease difficulties felt by EC firms in dealing with China so as to make "European investment and economic relations in general more attractive."

In his speech, Zheng Tuobin, minister of foreign economic relations and trade and also head of the Chinese delegation, reviewed the achievements of China's "fundamental policies" of opening to the outside world and restructuring the economic system.

In the course of China's economic reform, he said, the European Community has risen to China's third largest trading partner with their bilateral trade valued at 11.2 billion dollars in 1987 and the first one in terms of technology and equipment trade, surpassing Japan and the United States.

Zheng said, however, although there were various possibilities and great potentials for their bilateral trade and cooperation, to really effect them there was a key problem to tackle—to help China increase its exports and consequently its payment capability.

"Only on this basis can we realise our wishes," he stressed.

West Europe Offers Aid in Science Field
HK010855 Beijing CHINA DAILY in English
1 Mar 88 p 1

[By staff reporter Chen Weihua]

[Text] China is increasingly turning toward Western Europe for scientific and technological co-operation.

Tomorrow a Sino-French mixed committee meeting in Beijing will sign agreements for more than 100 projects in aerospace, meteorology, water conservancy, machinery, packaging, electronics, metallurgy, scientific information and many other fields, according to an official of the Department of International Co-operation of the State Science and Technology Commission (SSTC).

In a major development, France, which was the first Western European country to sign a government science and technology co-operation agreement with China, will help set up training classes in viticulture and wine-making and in information technology. It will also help establish a packaging technology testing centre in Tianjin.

These agreements follow the visit last year by Jean Dele-browski, special envoy of the French Prime Minister, who said scientific and technological co-operation between the two countries should double both in funds and number of projects. China and France agreed to 82 co-operative projects last year, and both sides have expressed satisfaction over the way most have developed.

Fifteen Western European countries and the European Economic Community (EEC) all have signed official agreements to co-operate with China in science and technology, according to the official.

China benefits greatly from the co-operation, he said, and is especially pleased with training Chinese researchers have received.

FRG Delegation Visits Shandong 27 Feb
SK011144 Jinan Shandong Provincial Service
in Mandarin 230 GMT 27 Feb 88

[Text] Provincial Vice Governor Tan Qinglian received members of the delegation from the FRG's Bavaria State economic and communications department at the Qilu Guesthouse on the evening of 27 February.

The nine-member delegation will exchange opinions with provincial departments concerned with regard to such cooperative items as the establishment of beer and telecommunications industrial training centers, geological and mining development, the study of standard metrology, land registration, and the new auxiliary projects at the Jinan and Yantai Airports.

At the reception, Vice Governor Tan Qinglian said: We have every reason to believe that the delegation's visit will promote the smoothly continuing economic and technological cooperation between the province and the state to a new practical stage.

NPC's Yan Jici Receives French Parliamentarians
OW271101 Beijing XINHUA in English 1243 GMT
26 Feb 88

[Text] Beijing, February 26 (XINHUA)—Yan Jici, vice-chairman of the Standing Committee of China's National People's Congress (NPC), met here this evening a delegation from the group of France-China friendship of the National Assembly of France, led by Roland Nungesser, chairman of the group.

Later, the guests were honored at a dinner hosted by Cao Yu, member of the NPC Standing Committee and chairman of the NPC Sino-French Friendship Group.

France To Discourage Students From Staying
OW270829 Beijing XINHUA in English 1055 GMT
26 Feb 88

[Text] Paris, February 25 (XINHUA)—China and France have agreed that government-sponsored Chinese students in France should return home after finishing their studies.

He Dongchang, Chinese vice minister of the State Education Commission, said Tuesday here that Chinese students have been sent abroad in line with the demands of China's development plans. It is their duty to serve China's modernization drive after their academic work, he added.

French Government officials said they will not support the tendency of Chinese students to stay and work in France after they complete their schooling.

The French position was included in a summary of cultural and educational talks endorsed by both countries. The talks were between Vice Minister He and Didier Bariani, secretary of state to the French Foreign Ministry.

Several thousand students from China and France have studied in each other's country, the summary reported. It also expressed satisfaction with the cooperation in science, culture, and education.

Vice Minister He has been in Paris since February 16 on a 10-day official visit at the invitation of French National Education Minister Rene Monory.

East Europe

Changes in Albania Discussed

HK270815 Beijing LIAOWANG in Chinese No 6,
8 Feb 88 pp 34, 35

[Article by Hong Hong (3163 5725): "Albania Is Changing"]

[Text] The internal and external policies of Albania are undergoing readjustments, while visible changes are taking place in its social and economic life.

In the last 10 years, Albania's industry and agriculture have repeatedly failed to attain production targets. In the early sixties and late seventies, it severed ties first with the Soviet Union and then China, downgraded its diplomatic relations with other socialist states, and kept economic exchanges to the minimum. Its contacts with developed countries in the West were practically nil as the country retreated to what may amount to a state of "self-enclosure." The ossified models used for a long time in economic construction as well as sluggish production and management system gradually revealed their flaws. The growth of population from 2.5 million in 1977 to 3 million has increased the economic burdens of Albania as the people's standard of living failed to rise correspondingly.

In November 1986, the Albanian party held its Ninth Party Congress. Party leaders explicitly pointed out that development of production, "amelioration of economic management, and improvement of relations of production" have become the urgent task of the day. After the party congress, party leader Alia proposed "creative implementation of the teachings of Hoxha." This led to a rather lively atmosphere in the theoretical circle as a number of new viewpoints were put forth. These viewpoints may be summarized as follows:

—Emphasis that socialist construction cannot find ready answers in the works of Marxism and Leninism or in the works of Hoxha. In one of his speeches, Alia stated: "The philosophy and principles of Marxism and Leninism are universal. But, this does not mean that they contain ready solutions to the practical problems encountered in socialist revolution and construction." "Marx and Lenin

cannot possibly say how many vegetables Albania should produce." Therefore, "it is necessary to be innovative in resolving problems" and "to tread where others have never gone before." A noted economist further suggested that "Hoxha's economic ideas could not foresee each and every problem that emerges in the course of socialist economic development. Nor could they provide ready answers to these problems."

—Proposal to overthrow the concept that "issues decided in the past cannot be altered." Shortly after the Ninth Party Congress, Albania's leaders stressed the need to distinguish between questions of principles and those not involving principles. It is necessary to uphold and reinforce questions of principles, such as matters concerning the road to socialism, the leadership of the party, the people's regime, relationship of socialist production, the freedom and independence of the state, and others. On the other hand, it is necessary to "resolutely modify and ameliorate according to developments in the situation" decisions relating to the means to develop production and to organization and forms of production.

—Emphasis on practice as the sole criterion to determine truth. Not long after the death of Hoxha in 1985, an authoritative person from the economic circle advanced: "The correctness, accuracy, and effectiveness of economic ideas can only be measured and verified by the results and achievements obtained in socialist construction and in satisfying the needs of the people." An Albanian leader also explicitly pointed out last year: "Everything must undergo verification through practice, as practice is the sole criterion for determining truth."

These new viewpoints presented by leaders and the theoretical circle in Albania touched on some crucial questions that had been impeding Albania's social and economic development. In effect, they were also negation of old, ossified dogma and of outdated viewpoints. At the same time, they provided the theoretical basis for change in Albania's internal and external policies.

After assuming power in 1985, Alia made a more factual assessment of the prevailing situation in Albania. He bluntly admitted that the economic problems "were unsettling" and market supply, "worrisome." He also formulated and adopted some corresponding plans and measures to resolve these problems: He proposed the appropriate readjustment of the proportion for development of heavy industry, light industry, agriculture, and animal husbandry industry by increasing investment to departments in charge of light industry, food, agriculture, and animal husbandry. In agriculture, he changed the previous practice of singular forced transformation of the collective ownership system to the public ownership system and abolished the original plan to shift from advanced agricultural producers' cooperatives to state farms in order to consolidate the collective ownership system. He called for greater efforts to improve food supply by formulating for the first time a national

programme for food development which aims to maintain the annual grain consumption per person at 220 kg in 1990, while meat provision would be raised from the current 1 kg per household per week to 1.4 kg. Experiments were carried out last year in some farm organizations where greater authorities were delegated to the grass-roots level and the number of projects with quotas dictated by the state to agricultural cooperatives was reduced from 220 to 190. Decisions were made regarding bonuses, material incentives, post allowances, and subsidies, while improvements were made in the relationship in distribution in order to correct the "conflict in interests of society, collective, and the individual." At the same time, a flexible price system was introduced to raise the purchase price of farm and livestock products and allow agricultural cooperatives and their members to sell their surplus products.

In foreign relations, Albania has actively launched overseas activities and endeavored to look for economic partners in order to expand economic cooperation and develop foreign trade. Speaking recently on the reason for Albania's seeking to promote foreign relations, Alia said: "Albania does not want to be isolated from the rest of the world and lead a solitary existence." "It needs to work with other countries because this factor would help its domestic development." In its exchanges with the outside world, Albania's relations with some Western states have developed rapidly. Last year, it established formal ties with the FRG after settling problems left over in history. Consequently, a momentum for rapid development in bilateral relations, notably in economic ties, has emerged. The FRG is fast becoming one of Albania's major trading partners. Meanwhile, after the Greek Government's abolition of the 40-year-old act on "existence of state of war" with Albania last year, Albanian-Greek relations entered a new phase; the two countries' heads of states are expected to exchange visits this year. Breaking a previous custom of not taking part in multi-lateral political activities, Albania has decided to attend the Balkan states' foreign ministers conference to be held in Yugoslavia in February this year. At the same time, Albania has also strengthened economic exchanges with Eastern European states and with China.

The economic situation in Albania remains very grim. The various targets set by the 1987 plan for total output value, per capita income, total industrial output value, foreign currency reserves, and others were not met. Budgetary deficits reached a high of 1.25 billion lek (7 leks; \$1). Consequently, the various economic targets for 1988 have been drastically reduced. To this day, the Albanian party still believes that Albania is presently "in the stage of building a perfect socialist society" and that, as private and individual economies are incompatible with socialism, socialist economy can only be planned economy. In foreign relations, Albania insists on not accepting loans and aid from "capitalist and revisionist countries." However, active demand for change is growing into a strong current, and Albania will continue to undergo transformation.

Beijing Reception Marks GDR Army Day
OW020322 Beijing XINHUA in English 1241 GMT
1 Mar 88

[Text] Beijing, March 1 (XINHUA) — The 32nd anniversary of the foundation of the National People's Army of the German Democratic Republic was marked at a reception held here this afternoon by Horst Lohmann, military, naval and air attache to Democratic German Embassy in Beijing.

Han Huaizhi, deputy chief of the general staff of the Chinese People's Liberation Army, attended the reception.

Hungary, PRC Sign Goods Exchange Protocol
OW271338 Beijing XINHUA in English 1042 GMT
27 Feb 88

[Text] Beijing, February 27 (XINHUA)—A protocol on goods exchange and payments for 1988 between China and Hungary was signed here today.

Chinese Vice-Minister of Foreign Economic Relations and Trade Lu Xuejian and Hungarian Vice-Minister of Trade Janos Ambrus signed the document on behalf of their respective governments.

More Science-Technology Links With E. Europe
OW261302 Beijing in English to North America
0300 GMT 25 Feb 88

[Text] China plans to establish more links with Eastern European countries in the field of science and technology. A senior Chinese official says exchanges are already planned and more contracts are to be signed between China and Eastern Europe. (Chen Guang) has the story:

The official says the chairman of the State Science and Technology Commission Song Jian will visit Romania, Yugoslavia, and Bulgaria in May. The plan behind the 10-day visit is to deepen mutual understanding and promote cooperation in science and technology. The official says China will also host several big events this year with that aim. Soviet and Polish science and technology days in Beijing have been planned along with other similar activities abroad next year. The Soviet science and technology day will be the largest ever to be held in China. It will include nine departments within the ministry and involve about 200 of the Soviet Union's top scientists. He says the second meeting that Chinese officials will attend will be held in Moscow next month.

The official says the State Science and Technology Commission has a long-term program to promote cooperation. Since 1986, it has been working with Czechoslovakia, Bulgaria, Poland, and the German Democratic Republic. Later on this year, it will sign a similar program with Yugoslavia. He says this year East European countries will become involved with 29 projects in

China's rural development program. It is called the Spark Plan. It was started in 1985 to help the country's rural economy with practical science and technology.

The official says more special delegations are traveling to China to deal with science and technology. Three top officials from Bulgaria, the German Democratic Republic, and Poland visited China in 1987. It is the first time the commission received three such top delegations within a year. In addition, the official says 7 regular meetings were held and 16 documents and agreements signed. They involved more than 400 projects for cooperation in the textile, metallurgical, and machinery industries, to name a few. The official says China signed more than 30 long-term key projects with the German Democratic Republic. And the future appears strong. He says China and the Soviet Union plan to explore long-term cooperation in a dozen science and technology fields as well.

Latin America & Caribbean

PRC, Brazil To Construct Joint Satellite
OW010922 Beijing XINHUA in English 0637 GMT
1 Mar 88

[Text] Rio de Janeiro, February 29 (XINHUA)—Brazil and China will jointly construct a satellite of remote perception for natural resources, the Brazilian Commission on Space Activity (COBASE) announced.

According to the local daily "O GLOBO" which carried the announcement today, the satellite will be launched at the end of 1992 by a China-made rocket.

The decision, made last week, has been approved by President Jose Sarney as part of Brazil's efforts to develop space technology. Brazilian scientists will work in the National Institute of Space Research (INPE) and in research centers of China, the newspaper reported.

Brazil is to spend a total of 80 million dollars on the project. The COBASE has already designated an initial budget of 45 million dollars for research, it noted.

"O GLOBO" said the satellite project began two years ago and is in the phase of completing sensors and complementary systems. During the process, joint discussions were held to make the interests of the two countries compatible and to prepare for the third stage of the project at which the prototypes will be built.

The 1,400-kilogram satellite, which is to be put into orbit 800 kilometers high, will have the capacity of photographing objects of a minimal dimension of 20 meters on earth.

Li Peng Government Work Report Prepared
HK020131 Hong Kong WEN WEI PO in Chinese
2 Mar 88 p 1

[Dispatch from correspondent Liu Jui-shao: "Seventh NPC To Set Timetable for Reform of Government Structure"]

[Text] Beijing, 1 Mar—In his Government Work Report to be submitted to the Seventh NPC, acting Premier Li Peng will propose a timetable for government structural reform, to ensure that this reform target is attained.

The Government Work Report draft for discussion was issued today to the CPPCC members attending the 17th meeting of the 6th CPPCC Standing Committee. The members declared that the advance issue of a draft for discussion will help to deepen the discussions and strengthen democratic politics.

A number of committee members said that new organs will be established and functioning within 3 months after the scheme for reform of the State Council structure has been examined and approved by the NPC. Internal readjustments and reduced staffing of the remaining organs should be completed by the end of this year. Reforms of the provincial, autonomous regional, and municipal government structure should commence in 1989. Reforms of the county and township government structure will be carried out a bit later.

While reforming the government structure, it is necessary to formulate a state civil servant system as soon as possible and also set up an administration academy to train administrative management cadres.

According to our information, the Government Work Report is in three main sections, including a basic summation of government work over the past 5 years, the main guidelines and tasks for construction and reforms in the next 5 years, and foreign policy work.

Section two of the report points out that the next 5 years are the key period in replacing the old system with the new and in the second stage of the economic development strategy. China should strive to attain a gross national product of about 1.6 trillion yuan by 1992, recording an average annual growth of about 8 percent. The report also sets the eight main tasks for the next 5 years, as follows:

1. Get a good grasp of agriculture, and strive for relatively great strengthening of basic industries and infrastructure. China should strive to produce 500 billion kg of grain by the end of the century, with an average annual increase of 8 billion kg.

2. Speed up the development of science, technology, and education, and further shift economic construction onto the track of relying on the progress of science and technology and on improving the quality of labor.

3. Carry out a complete set of comprehensive reforms, centered on stepping up enterprise reform, and gradually establish the dominant position of the new economic setup.

4. Institute the economic development strategy for the coastal regions at the appropriate time, to further open up to the world, and lead forward and stimulate the all-round development of foreign economic relations and trade.

5. Starting by changing management functions, do a good job in government structural reform, and eliminate bureaucracy and so on.

6. It is essential to work hard to build the "two civilizations."

7. Step up family planning and environmental protection.

8. Increase the income of the people in urban and rural areas and improve their material and cultural living standards.

CHENG MING on Two Opposing CPC Factions
HK011245 Hong Kong CHENG MING in Chinese
No 125, 1 Mar 88 pp 6-9

["Notes on the Northern Journey" by Lo Ping (5012 0393): "Latest Information on the Personnel Arrangements at the Highest Level"—first paragraph in boldface as published]

[Text] The contention between the two factions inside the CPC for the highest posts in the state organs has become more and more acute. Peng Zhen, who is the oldest, deliberately shows that although he is old, he is vigorous. Li Xiannian is reluctant to relinquish his post on the grounds that he is still "young." Hu Yaobang refuses to take the post of chairman of the CPPCC because he is "old." The conservative faction has again attacked Fang Lizhi and Liu Binyan, but the reformist faction tries to soothe them. In such a depressing situation, all sorts of contradictions have become apparent...

Contradictions, Depressing Situation, and Struggle [sub-head]

There were never so many contradictions as there are today. Contradictions can now be found in every corner of Beijing political life.

—Fang Lizhi was prohibited from going to the United States, but his salary has been increased by 50 percent.

—Su Shaozhi is still being criticized, but his penetrating article on political reform was published in LILUN XINXI BAO (JOURNAL OF THEORIES AND INFORMATION) on 11 January.

—It seems that HONGQI will soon be closed, but HONGQI in another guise is being transplanted, and grows.

—A number of older people have been driven out of the center of state power, but other older persons still have enormous capacity for maneuver...

Different people have different views on the political environment in which they are living. Some people say that it is a depressing situation while others say that this shows the stability of the political situation. Some people maintain that this reflects the open strife and veiled struggle between the conservative and reformist factions. Victory hangs in the balance and neither side can crush the other.

We can say that their judgements are not wrong. The inner struggle at the highest level of the CPC is at a stalemate. On the surface everything is quiet, but an acute struggle is actually going on, and the atmosphere is suffocating.

The Old-Man Party Has Prevented Fang Lizhi and Liu Binyan From Entering the CPPCC [subhead]

Not long ago, it was widely reported in Beijing that Fang Lizhi and Liu Binyan would be "elected" to the CPPCC National Committee. Fang and Liu heard about this although they had not received any written notification. Many people appreciated the political wisdom of the CPC in this regard. However, according to the latest information, this plan has been abandoned. The plan to let Fang and Liu enter was first proposed by the United Front Department, and supported by Zhao Ziyang. However, those old people did not agree. Zhu Muzhi reported to the higher authorities that Liu Binyan had not even made self-criticism. How could he be elected a member of the CPPCC? Zhao Ziyang made a concession and gave up the plan for fear of offending the old-man party. He said: "Don't let them enter, nor expel others from the CPPCC. It is unnecessary for Wu Zuguang and Zhang Xianliang to withdraw. Neither should we let Fang Lizhi and Liu Binyan enter." The plan to let Fang and Liu enter the CPPCC was thus laid aside.

There Is Reason To Promote Fang Lizhi and Increase His Salary [subhead]

Zhao Ziyang slammed the brake on. This has shown that at present those officials who belong to the reformist faction, are in a state of "suspecting danger at the slightest sound, and being scared by the sigh of the wind or the cry of the cranes." Whether Fang and Liu enter the CPPCC or not is a trivial matter, but it demonstrates that the revered Mr Zhao is in an awkward position. To soothe Fang and Liu, the two heroes who enjoy popular confidence, Zhao gives the green light for Liu Binyan's visit to the United States in March. Besides, he instructs the Chinese Academy of Sciences to promote him and increase Professor Fang Lizhi's salary (Fang's salary has been increased from 180 yuan to 245 yuan).

Of the Five Highest Posts, the Two Factions Contend for Three [subhead]

This is another example of the struggle and concession between the reformist faction and the conservative faction inside the CPC since the 13th party congress.

On the eve of the Seventh NPC, the two factions acutely contended for the distribution of the posts in the state organs. Of course, concessions will occur amid struggle.

There are five high posts in the central state organs: state president, NPC Standing Committee chairman, Central Military Commission chairman, prime minister of the State Council, and CPPCC chairman. Chairman of the Central Military Commission can only be taken by Deng. As far as prime minister is concerned, the formal appointment of Li Peng to the post is expected to be made, although Zhao Ziyang was dissatisfied with this. In spite of the fact that the other three posts have only limited power, the two factions will contend for them.

Li Xiannian Is Reluctant To Give Up His Post As State President [subhead]

Who will succeed Li as the president of the state? As early as the Beidaihe meeting, Deng Xiaoping reportedly urged Li Xiannian to retire. However, at the recent election of national people's deputies, Li Xiannian was again elected. It was reported that the 79-year-old Li Xiannian made a comparison between himself and the 84-year-old Deng Xiaoping. He said: After withdrawing from the Political Bureau, Deng still retains his posts as chairman of the party Military Commission and chairman of the State Military Committee. Why should I retire? In the meantime, the work of receiving credentials is comparatively light. I can do it. Yang Shangkun wants to succeed me, but he is 2 years older than me! It is obvious that it is difficult to persuade this senior statesman of the three dynasties (the Mao, Hua and, Deng) to retire.

The Two Marshals Are Dissatisfied That the Army Is Controlled by the "Yang Family Generals" [subhead]

According to a report spread around not long ago, Deng Xiaoping did intend to ask Yang Shangkun to replace Li. There is something which has not been reported by the mass media. Of the 10 marshals of the CPC, only Nie Rongzhen and Xu Xiangqian are still living and in good health. It has been reported that they have felt dissatisfied with army personnel arrangements from the 13th party congress. They maintain that if the Army is controlled by the brothers of Yang Shangkun and Yang Baibing, it will be turned into a private army. Under such circumstances it is a good method to transfer Yang Shangkun from the Army to succeed Li Xianning. In the meantime it is also good for propping up Zhao Ziyang so that he can control the Army. This is an idea which has existed in Deng Xiaoping's mind for a long time. Deng Xiaoping wants Zhao to take the post of first vice chairman of the Military Commission. Recently, Zhao Ziyang inspected the three armed services in east China. In the meantime, certain press stealthily reported Zhao's

early experience of working in the Army. This was a meticulous arrangement by Deng Xiaoping. Judged from this angle, there is a great possibility of Yang Shangkun taking over the post of state president.

It was initially decided that Wan Li would take over as chairman of the NPC Standing Committee, but Peng Zhen has resolutely opposed the arrangement. He has stressed: Anybody can take the post except Wan Li.

Peng Zhen Resolutely Opposes Appointment of Wan Li as NPC Standing Committee Chairman [subhead]

According to a report revealed by the highest strata in Beijing, Peng Zhen was very much dissatisfied with Wan Li, who belongs to Zhao Ziyang's faction. At the end of January, when Peng Zhen was listening to a report by a NPC preparatory group, he said as if he were joking: A number of newspapers and journals abroad have regarded me as the chief of the new gang of four, and the ringleader of the conservative faction. As far as Wan Li is concerned, he is regarded as a reformist and hardliner. The bourgeoisie is anxious to stir up trouble inside our party. Its anxiety is that there would not be any trouble inside communist parties. He added: I exchanged views directly with Comrade Xiaoping on this issue. He was right in saying that whether other people divide us into seven or eight factions, we actually belong to one faction: The Marxist or proletariat revolutionary faction. After hearing Peng Zhen's remarks, members of the preparatory group felt that he was obviously suspicious and jealous of Wan Li.

Of course, the main reason Peng Zhen opposes Wan Li taking the post of NPC Standing Committee chairman is that he himself is very reluctant to relinquish the post. Although he is 2 years older than Deng Xiaoping, he takes delight in the post and never gets tired of it. He personally attends all meetings of the Standing Committee, and has no intention of retiring at all. Since the 13th party congress, Peng Zhen has been very busy with behind-the-scenes activities. Many people believe that this is because he is reluctant to give up his present post.

Peng Nominates Chen and Wang, Recommends Hua Guofeng [subhead]

However, Peng Zhen did not want his ill intent to be known to all. Thus, while expressing his views against recommending Wan Li, he nominated his trusted followers Wang Hanbin and Chen Pixian for the office of vice chairman. Naturally, this was an excuse. He knew pretty well that Deng would refuse to accept Wang and Chen.

Nonetheless, Peng Zhen deliberately recommended Hua Guofeng for the office of NPC vice chairman. While listening to reports given by the NPC preparatory group at the end of January, Peng Zhen mentioned Hua Guofeng for the first time. He saw that Hua Guofeng had done something good for the state and he was still a CPC Central Committee member. He agreed with Comrade Xiaoping's proposal

recommending Hua for the office of vice chairman. Naturally, Peng continued, whether he can assume office or not will be determined by the delegates.

Viewed from the current state of affairs it is a foregone conclusion that Wan Li will assume the office of NPC chairman and Hua Guofeng will be vice chairman. There are now fewer disputes between the two factions.

Hu Yaobang Refuses To Be CPPCC Chairman, Xi Zhongxun Is Also Recommended for the Office [subhead]

Some time ago, news of Li Xiannian assuming the office of CPPCC chairman spread in Beijing political circles. According to news at the end of January however, Li Xiannian insisted on being state president. He also recommended Hu Yaobang for the office of CPPCC chairman. Naturally, this was one of Li's tactics.

Deng Yingchao also insisted that Hu Yaobang take over her office. At a speech made in early February she mentioned Hu's name again. She said that we should affirm Comrade Hu Yaobang's strong points and give full play to his role. Hu has maintained a good relationship with intellectuals and he has left a good impression on people abroad. The purpose of our CPPCC work is to extensively unite with the majority of the people at home and abroad.

However, Hu Yaobang declined the offer under the excuse that he was advanced in years and not suitable for the post. According to insiders, Hu Yaobang refused to accept the post because he knew that his open-mindedness would sympathize with the dissenting views of CPPCC members which would bring trouble on himself again.

According to latest information, Xi Zhongxun is nominated for the office of CPPCC chairman. Although some people insisted that "Sister Deng" should continue to assume office, Deng declined.

A Motion Will be Proposed by the Fifth Session of the Political Bureau After Deng Makes the Decision [subhead]

According to reliable information the offices of state president, NPC chairman, and CPPCC chairman will be determined after Deng Xiaoping finishes his vacation and returns from Shanghai. A motion will then be proposed by the Fifth Session of the CPC Central Committee's Political Bureau, to be held in April (which will probably include the enlarged session of the Central Advisory Commission's Standing Committee), and submitted to the Seventh NPC for approval.

Apart from the three highest posts, Deng Xiaoping will have to consider and make decisions on a number of problems: Should Hua Guofeng and Deng Liqun be allowed to assume the office of NPC vice chairmen? Should we not select two or three "democratic party" personages or non-party personages to assume the offices of state vice president and NPC vice chairman? Should Hu Yaobang, who refused to be

CPPCC chairman, be appointed to another office? It is believed that Deng Xiaoping, who is a master in maintaining political balance, will have no difficulties in solving these problems.

It will definitely be advantageous to reform if the reformers or middle elements can occupy more than half of the five state organ posts. For this reason, people in Beijing expect that Wan Li and Yang Shangkun will assume office. Naturally, they cast votes of no-confidence in Li Peng as premier.

New Ministers for New Offices under the State Council [subhead]

It has been reported that more than half of the ministries, including the Ministry of National Defense, Foreign Ministry, Public Security Ministry, State Security Ministry, Justice Ministry, and Labor and Personnel Ministry, will be reshuffled following the Seventh NPC. Some of them will be merged and some reorganized.

The Ministry of Electronics Industry and Ministry of Machine-Building Industry (including the China Corporation of Shipbuilding Industry) will be merged into the Ministry of Machine-Building and Electronics Industries. Zou Taofen's son Zou Jiahua is nominated for the office of minister.

The Ministry of Water Resources and Electric Power will be divided. Qian Zhengying, or another person, will probably be minister of water resources. The Ministries of Coal Industry, Electric Power (including nuclear power), and Petroleum Industry will be merged into a Ministry of Energy and Huang Yicheng is nominated for the office of minister.

The Ministries of Civil Aviation, Communications and Railways will be merged into a Ministry of Transportation or a State Transportation Commission. Ding Guangen is nominated head of the ministry or commission.

The Ministries of Astronautics Industry and Aviation Industry will be merged into a Ministry of Astronautics and Aviation Industries with Lin Jiatang as its minister.

The State Planning Commission and the State Economic Commission will be merged into a Social Planning and Economic Commission with Yao Yilin as its head.

The Public Has a Low Opinion of Certain New Leaders [subhead]

According to news spreading within a small circle in Beijing, people do not have a good opinion of certain new leaders who are due to appear very soon. For example, Ding Guangen did not gain popular support while handling the Kunmin-Guizhou railway accident. When Ding arrived at the accident site, he immediately gave orders blocking the passing of information and forbidding reporters from covering news of the accident.

It was even more ridiculous that the Central Propaganda Department smoothed away difficulties for Ding and ordered the press units to follow the XINHUA NEWS AGENCY's untrue report which said that only 90 died in the accident. Although this fatuous officer is an expert in playing bridge as Deng Xiaoping's partner, can he properly exercise management over transportation which involves the lives and property of billions of people?

NPC and CPPCC To Increase Transparency [subhead]

For the sake of properly holding the two large meetings (NPC and CPPCC) in Beijing, the government preparatory group composed of several thousand people started work before the Spring Festival. During this period some news leaked out. To change the image of "rubber stamp" and "decorative vase" of the NPC and CPPCC, the CPC has deliberately attempted to increase the transparency and openness of these two large meetings. At the elections of the people's congresses and CPPCC at the provincial and municipal levels held a month ago, the CPC introduced the election method whereby candidates exceeded the number of seats. As a matter of fact, 98 percent of the candidates were still nominated by the party. Even in this case nine provinces and municipalities including Shanghai, Tianjin, Xizang, Nei Monggol, and Heilongjiang failed to accomplish the election tasks before the deadline (opening of the NPC).

New Leaders Will Have To Face Inquiries and Speeches by Delegates Will No Longer Be Kept Secret [subhead]

The elections of the current NPC are likely to follow the old pattern. The list of candidates for state leaders can only be recommended by the CPC Central Committee, consulted at a closed meeting, and decided by vote at the NPC. Regarding the candidates for ministers and vice ministers to be recommended by the premier, the premier will give an account of the qualifications and achievements of each candidate to the delegates. The list of candidates will be put to a vote after the candidates have been interrogated by the delegates face to face at the session. This is probably one of the changes made to the rubber stamp. Moreover, the rights of the delegates to deliver speeches and issue statements will be respected. In the past the records of speeches delivered by the delegates were treated confidentially, wilfully revised, and then published in restricted journals. The speeches were not allowed to be issued in full text by the press. Although they are people's delegates, the people actually do not know what their delegates said and what role they played. It has been reported that some changes will be made at the current sessions in which relaxation and harmony will be stressed and the activities of the CPPCC members within and outside the conference will not be restricted.

A Strategic Pass Beyond the Strategic Pass, Two Meetings Beyond the Two Meetings [subhead]

Critics and observers in Beijing believe that the CPC will have to rack its brains to maintain a balance of seats for the government and parliament at the "two meetings" held in March 1988. Moreover, the CPC will have to pass the following two barriers: First, the Fifth Congress of Chinese Writers; and second, the "Meeting To Commemorate the 10th Anniversary of the 3d Plenary Session of the 11th CPC Central Committee." Like a heavy load, the latter two meetings are placed on the shoulders of Hu Qili, who has a "calcium deficiency in politics." People cannot but worry about such a state of affairs.

There are too many things to worry about in Mainland China. In the final analysis the reformers and Zhao Ziyang are faced with two major problems: First, how to carry out reform so as to free the CPC and the mainland from their predicament? Second, how to avoid pressure and interference from the conservatives and the diehards? Will it work by merely maintaining a balance of power?

CHENG MING on 'Close Contest' Inside CPC
HK011244 Hong Kong CHENG MING in Chinese
No 125, 1 March 88 pp 10-12

[Article by Lu Su (7120 6643): "A Close Contest Inside the CPC"—first paragraph in boldface as published]

[Text] After a brief encounter between the attacking reformists and the retreating conservatives following the 13th party congress, the reformists have gradually frittered away their drive. The two factions are again evenly matched. The octogenarian party has gone on the offensive and haggled over prices, while Zhao Ziyang, Hu Qili, and others constantly compromise, make concessions....

"No death, no surrender, no retreat; no war, no peace, no defense." Someone has used the unsavory record of resisting British aggression left by Ye Mingchen, governor of Guangdong and Guangxi toward the end of the Qing Dynasty, to describe the current political situation in China and to reflect the stalemate between the reformist and conservative forces. This description is truly apt.

The New Theory of the Initial Stage of Socialism Has Become an Umbrella [subhead]

A depressing, grey, haggling, and "tentatively exploratory" situation has emerged in Beijing's top hierarchy following the 13th party congress. This has dampened the enthusiasm of many people who had entertained great expectations for the congress. After some observation, those who looked upon the "initial stage of socialism" as a new theory beneficial to reform have come to realize that the "new theory" is long in steadiness but short in enterprising spirit, even serving as an umbrella for a large number of bureaucrats and negative phenomena. For this reason, they keep on saying say that they were "taken in." True, since the 13th party congress, the conservative stronghold, commanded by Chen Yun, has suffered casualties in the institutions of the CPC central authorities (the Central Committee and the Central

Discipline Inspection Commission). Wang Heshou and other "leftist ringleaders" have been removed from the Central Discipline Inspection Commission, and even Deng Liqun, the daring vanguard of the "Leftists' Village," is in a very awkward position, throwing away everything in headlong flight. Hu Qiaomu, a "leftist" theoretical authority of the CPC, has fallen into disgrace, while Deng Liqun managed to become a member of the Central Advisory Commission but failed to squeeze his way into the Standing Committee. All this seems to show the all-round victory of the reformers, with Zhao Ziyang as the key figure and Deng Xiaoping as the backer. In particular, the downfall of "leftist ringleader" He Jingzhi, as well as the storm surrounding HONGQI's suspended publication, have given people the false impression that the conservative forces have suffered setbacks and that the opening up, reform, democracy, and legal system are expected to advance in big strides. However, practice in the past 100 days has brought facts that cannot be ignored to peoples' attention: The conservative forces are actually quite powerful and have considerable potential, while those persisting in reform and opening up show signs of being outwardly strong but inwardly weak and having an insufficient foundation. Let us set aside other things for the time being. Li Peng's success in assuming the acting premiership and Yao Yilin's success in taking charge of China's economic work in his capacity as a member of the Standing Committee of the Political Bureau have made it impossible for Wan Li, the "veritable reformist," to move up or down. The power of the Organization Department of the CPC Central Committee is also held by Song Ping, who has a thousand and one links with the conservative faction (the man was reportedly "instructed" to protect Xu Weicheng, deputy secretary of the Beijing Municipal CPC Committee, so that the fellow, who is branded "China's Goebbels" by college students, has obdurately refused to go to Guizhou and still retains his seat as Standing Committee member and deputy secretary of the Beijing Municipal CPC Committee). These facts have amply shown that although Zhao Ziyang is the party chief, he does not necessarily have the capability of controlling the overall situation and sometimes has to take his cue from the other party.

Deng Xiaoping Gives Zhao Ziyang a Soft Rebuff [subhead]

At the end of last year, Zhao Ziyang decided to put an end to HONGQI, the "leftist" organ that causes widespread indignation and discontent, and disbanded the rigid and conservative editorial board so that it could no longer serve as a clique. He adopted a firm attitude and ordered that HONGQI wind up its business in 6 months. Rui Xingwen (member of the Secretariat of the CPC Central Committee in charge of culture and education) announced this decision. Some of the 300-odd editors and working personnel of HONGQI were to be transferred or assigned to other positions, but most of them would have to fend for themselves. In spite of this, however, eight Central Advisory Commission members headed by Bo Yibo and Wang Renzhi sought out Deng

Xiaoping in order to argue things out, clamoring that "HONGQI should not be disbanded" and invoking the ancestral domestic discipline to protect HONGQI. Deng Xiaoping was eventually forced to ask Zhao Ziyang to shift HONGQI to the Central Party School, with the whole staff intact. Under the leadership of Gao Yang, it was to be organized into another theoretical organ directly under the Central Party School. On the one hand, this has placed liberal-minded Gao Yang in a difficult position and, on the other hand, this has also served as a soft rebuff to Zhao Ziyang, reminding him that he should act prudently and that under no circumstances should he willfully stir up the hornets' nest of the "leftist faction." It is said that the forcible transfer of the 300-odd "leftist" underlings to Gao Yang has infuriated the consistently liberal-minded old-timer, but he is forced to keep his resentment to himself.

The Secret Deal Between Zhao Ziyang and the Conservative Faction [subhead]

On discovering that he had miscalculated the relative strengths of both sides and made a "premature" decision, Zhao Ziyang worried that he might incur the more bitter hatred of the people of the "Leftists' Village." He eventually hit on an idea. He asked Hu Qili, supreme leader in charge of ideology, culture, and propaganda, to commend in public the Propaganda Department of the CPC Central Committee, headed by Wang Renzhi, at a national conference of the heads of propaganda departments, saying that they had "done a lot of work" after the 13th party congress and had "scored remarkable success." Meanwhile, he also hinted that the Propaganda Department of the CPC Central Committee would not be reorganized so that Wang Renzhi, an important propaganda official from the conservative camp, could devote his full energy to his work. This can only be regarded as a deal, a fairly undisguised concession. To placate the elder party officials standing behind Wang Renzhi, Zhao Ziyang and Hu Qili have also reorganized the Central Propaganda Leading Group, with Hu Qili as the leader and Bao Tong and Rui Xingwen as deputy leaders. Chen Junsheng no longer serves as a member but both Wang Renzhi and Zhu Muzhi remain.

There is another thing about which people do not know whether to laugh or cry. At first, Zhao Ziyang and Hu Qili spoke quite favorably of the contents of the meeting of the Presidium of the Chinese Writers' Association and the association's work meeting held respectively in the middle and last 10 days of last December, holding that it was only natural that many writers should speak the truth at the meeting and should speak unfavorably of the struggle against bourgeois liberalization early last year. Zhao Ziyang also held that "the party should give a free hand to literature and art work and should interfere less." However, He Jingzhi lodged a complaint with Wang Zhen, the adopted father of his wife, Ke Yan, about the contents of Shao Yanxiang's speech at the meeting of the Presidium of the Chinese Writers' Association. He said that these writers "wanted to reverse the

verdict on opposing bourgeois liberalization" and "openly called for redressing Liu Binyan's grievance" and that it was necessary to thoroughly investigate the matter and to take vigorous steps to rectify it. In truth, in his speech Shao Yanxiang only said that it would not help arouse the initiative of writers for the party Central Committee to expel Fang Lizhi, Liu Binyan, and Wang Ruowang from the party, to urge Wu Zuguang to withdraw from the party, and to announce the expulsion of Wang Ruowang last year, for this would lead to a "poor harvest" in the literary world. He also said that the year 1987 was the bleakest year since the 3d Plenary Session of the 11th CPC Central Committee. However, He Jingzhi openly declared: "We must shed the last drop of our blood for the struggle against Liu Binyan and Wang Ruowang and never come to terms with them as long as we live." He also criticized the two meetings called by the Chinese Writers' Association as "two sinister meetings aimed at reversing the correct decision on bourgeois liberalization." This rather disturbed Zhao Ziyang and Hu Qili. They immediately ingratiated themselves with the other party by smiling and making eyes at them. For example, in the capacity of a member of the CPC Central Committee Standing Committee, Hu Qili went to Shanxi, ostensibly to make an inspection tour. In point of fact, he went to Taiyuan to bury the hatchet with Ma Feng [7456 3536], a writer who has been entrenched in Shanxi for a long time and is also chief commander of the "potato faction." Hu Qili noisily advocated that cultural workers and writers "should plunge into the thick of life." He very nearly harped on the same string: "We must learn from the workers, peasants, and soldiers and receive reeducation from the poor and lower-middle peasants." Of course, this is a show of currying favor and making eyes at the opposite side. As a matter of fact, these efforts did not work. He did not satisfy the conservatives and at the same time bitterly disappointed the cultural workers and writers supporting the reformers.

According to friends close to the upper circles, having witnessed the failures in economic work, workers and other employees are shrewishly complaining about the sharp price fluctuations and devalued currency. Therefore, Zhao Ziyang has now concentrated his major efforts on economic work, with a view to promoting production, keeping the monetary market stable, and earning more foreign exchange. So it appears that he has given the leftists, would-be leftists, and fence-sitters a free hand in ideological work. That is why Hu Qili trimmed his sails to the wind and concluded a gentlemen's agreement with the leftist writers who are still in power or who have fallen out of power but "are still glaring like a tiger eyeing its prey" in an effort to seek a peaceful coexistence. Generally speaking, there has been no improvement at all in the work of both the Central Propaganda Department and the Ministry of Culture, and nothing has changed. Some people have said pessimistically: "It will be pretty good if such a situation can be maintained, and there will probably be retrogression under the pressure of the leftists. This remark is not completely groundless.

The Order Is Given To Present a False Picture of Peace and Prosperity During the Spring Festival [subhead]

According to an informed friend, on the eve of the Spring Festival, the CPC Central Committee issued a circular to all provinces and major and medium-sized cities, ordering them to make all parks and public places very lively and arrange the most attractive programs for cinemas and theaters so that people would be attracted to recreational activities and forget all about their grievances. The CPC is quite aware that it is absolutely impossible for it to conjure up large quantities of cheap and good pork, sugar, fish, shrimp and eggs. Meanwhile, it is also not easy for it to reestablish the reputation and value of the renminbi overnight.

The best shortcut is to order radio and television troupes, song and dance ensembles, cinemas, acrobatic troupes, parks and other places of entertainment to arrange colorful and attractive programs so as to enable people to indulge themselves in joy and forget the vexing problems of prices, wages, and housing and not to make trouble. Of course, this is a good idea and is easy to do. However, can one or two theatrical performances or a mass celebration in a park relieve the anxieties of the common people over their daily necessities?

Sacrifice a Pawn in Order To Save a Castle and Du Runsheng Suffers for the Faults of Another [subhead]

Obviously what depresses Zhao Ziyang is that as long as "imperial empress dowagers" Deng and Chen are still alive and in good health and the power of the octogenarian party is still strong, he has to be at their beck and call. For example, at a recent enlarged meeting of the CPC Central Committee Secretariat, Du Runsheng, director of the Rural Policy Research Center of the CPC Central Committee, made a "self-criticism," saying that he had made mistakes in formulating the policies for the rural economy. Actually, he was just acting as a scapegoat for Vice Premier Wan Li, who had recently failed to get the upper hand in official circles. Moreover, his failure to enter the economic leading group of the CPC Central Committee Secretariat also indicates the weakness of Zhao Ziyang. Now Zhao Ziyang is head of the economic leading group, with Li Peng and Yao Yilin as his assistants. Viewed from the layout of the group, though Zhao is secretary general of the party, he may not be able to win an advantage.

Some people believe before mid-March, the internal strife of the CPC will still be focused on a life-and-death struggle for personnel appointments (including members of the NPC Standing Committee and the CPPCC Standing Committee). This is an indisputable fact. Evidently, Deng Liqun will certainly strive to ascend the throne of vice chairman of the NPC Standing Committee, and Peng Zhen will make every effort to ensure that Chen Pixian or Wang Hanbin succeed him. It is indisputable that Li Peng will assume the important post of premier of the State Council. Viewed from his background and

origins, he is perhaps not an ideal partner for General Secretary Zhao, and it seems that there is no way to avoid the appearance of open strife between the party and the government and a veiled struggle between the "general and commander in chief." This is in no way a blessing for the people on the mainland. Zhao Ziyang knows that he has a junior rank in the political clan, so he dares not enhance his prestige too much while Deng is still alive and in good health. This is the real source of his pain. It has been learned that Zhao is trying hard to seize GUANGMING RIBAO from the hands of leftists Du Daozheng and Yao Xihua in an effort to change it into the first nongovernmental paper. There are two purposes for doing so: One is to create a little atmosphere of democracy, and the other is to augment his own prestige. However, this is a very sensitive problem. The lords of the "leftist village" will probably risk their lives to launch a counteroffensive to retrieve their lost ground, and if that happens, then Zhao Ziyang may not be able to hold his own. No doubt Zhao's intention is good, but can he make it come true? We can only wait and see.

Yan Mingfu Addresses Taiwan Compatriots
OW011233 Beijing XINHUA Domestic Service
in Chinese 1411 GMT 27 Feb 88

[Text] Beijing, 27 Feb (XINHUA)—The Third National Conference of Representatives of Taiwan Compatriots opened at the Great Hall of the People this morning.

Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee, and Yan Mingfu, member of the Secretariat of the CPC Central Committee, attended the opening ceremony.

On behalf of the CPC Central Committee, Yan Mingfu first extended congratulations to the conference, and praised the achievements made by the All-China Federation of Taiwan Compatriots since its founding 6 years ago. He said: The All-China Federation of Taiwan Compatriots, as a patriotic mass organization of compatriots of all nationalities in Taiwan, has made fruitful efforts to facilitate peaceful reunification of the motherland and rejuvenation of the Chinese nation by following the objective of "patriotism and reunification," promoting unity among and establishing contacts with large numbers of Taiwan compatriots at home and abroad, deepening friendship among natives of Taiwan, and vigorously enhancing the grand solidarity among nationalities. You have actively promoted people-to-people exchanges between the two sides of the strait; enthusiastically helped Taiwan compatriots abroad and on the island understand situation on the mainland and the central authorities' policies toward Taiwan; and promptly reflected their wishes and aspirations. You have done a good job in promoting two-way communication, and have acted as a bridge with which the party and the government maintain contacts with Taiwan compatriots.

He said: Our party and government have clearly defined consistent principles and policies for achieving peaceful reunification of the motherland. In his report to the 13th CPC National Congress, Comrade Zhao Ziyang said: "In accordance with the principle of 'One Country, Two Systems,' China has reached an agreement with Britain on the question of Hong Kong, and another with Portugal on the question of Macao. We shall strive to achieve a peaceful settlement of the question of Taiwan as well, on the basis of this same principle." This was again clarified by General Secretary Zhao Ziyang in his recent talk. In striving for a peaceful settlement of the question of Taiwan, we place our hopes on the Taiwan authorities, and still more on Taiwan people, who have a glorious tradition for patriotism, long for reunification, and oppose being divided. We would like to discuss state affairs with people of all circles in Taiwan, accomplish motherland's reunification, and rejuvenate the Chinese nation.

On behalf of the Second Council of the All-China Federation of Taiwan Compatriots, Lin Liyun delivered a summed-up work report to the conference of representatives.

She said: The All-China Federation of Taiwan Compatriots carried out its work in the past 3 years when the mainland was intensifying reform and Taiwan situation was undergoing rapid changes. New improvements have been made in the work toward Taiwan compatriots on the mainland. Taiwan natives are playing a more prominent role in the four modernization drive and the cause of motherland's reunification. We have carried out more activities in a deepgoing manner to promote contacts with Taiwan compatriots abroad and on the island. Particularly noteworthy is that we have made breakthrough in promoting ties with people on the island. Through widespread contacts and free exchanges of friendship among Taiwan natives, we have made more friends and united more people. More Taiwan natives have acquired a "common understanding" of peaceful reunification of the motherland. The influence of the All-China Federation of Taiwan Compatriots has also gradually spread from abroad to Taiwan. She said: That we are able to act as a bridge and link for promoting peaceful reunification of the motherland is, fundamentally speaking, attributed to the guidance of the central authorities' principles and policies toward Taiwan, to the consideration given to the characteristics of the patriotic mass organizations, and to the enthusiasm in launching activities to promote friendship among Taiwan natives at home and abroad.

Lin Liyun said: Under pressure from within and without, the Kuomintang authorities were forced to readjust their policy toward the mainland and take a series of spectacular and flexible measures in handling relationship between the two sides of the strait, leading to changes in Taiwan situation. Particularly noteworthy is the announcement of limited relaxation of restrictions on Taiwan people's visits to relatives on the mainland, which have made an opening in the exchanges between

the two sides of the strait. This opening may be widened under pressure from all quarters. We should seize the right opportunity, adroitly guide our actions according to circumstances, continue to implement the central authorities' principles and policies toward Taiwan, develop the fine situation that has emerged in the relationship between the two sides of the strait, and make a positive contribution to ending the division of our nation as soon as possible and to accomplishing peaceful reunification.

A total of 256 people attended the Third National Conference of Representatives of Taiwan Compatriots, who came from 29 provinces, autonomous regions, and municipalities, and also from central state organs and the PLA. The meeting will last for 7 days. The major items on the agenda are hearing, examining, and adopting the work report of the Second Council of the All-China Federation of Taiwan Compatriots; revising, deliberating, and adopting the "Constitution of the All-China Federation of Taiwan Compatriots"; and electing the Third Council of the Federation.

Attending today's opening ceremony were responsible comrades of the departments concerned and civic organizations. Representatives of the All-China Federation of Returned Overseas Chinese, the Central Committee of the Taiwan Democratic Self-Government League, and Association of Taiwan Alumni spoke at the conference to extend congratulations.

New Thinking on Modernization Discussed
HK020421 Beijing RENMIN RIBAO in Chinese
25 Feb 88 p 2

[Article by Wang Xiaoqiang (3769 1420 1730): "New Line of Thinking on Modernization"—passages in bold-face as published]

[Text] Comrade Zhao Ziyang's advocacy of participating in international division of labor and competition and developing the export of labor-intensive industrial products is farsighted strategic guiding thinking. This strategic thinking has opened up a realistic and feasible path of modernizing the Chinese countryside with its population of 800 million people, and the country as a whole. It is a philosophy that for the first time turns the population burden on our country's economic development into a strong point for development, converts disadvantages into advantages, and turns passivity into initiative. This strategic thinking has completely combined reform, opening up, and development against the background of the world economy. Hence, under the guidance of a major strategy of overall significance, reform, opening up, and development which have moved separately on their own ways over the last 9 years to a certain extent have for the first time come together under a unified pattern. Therefore, provided the historic significance of this strategic thinking is fully understood, concrete policies and reform measures will have a living soul.

In implementing this strategy, close attention should be paid to the following five things:

1. Make an effort to combine the shift of rural work force, the development of township and town enterprises, and reform. While accelerating the shift of the rural work force using fairly flexible operation mechanisms of township and town enterprises, we should expedite the pace of reform and opening up. For this purpose, on the one hand, we should ensure in terms of systems that the various measures for carrying out contract management and delegating powers to lower levels can be genuinely implemented to promote the development of the rural areas and township and town enterprises and on the other, we should put township and town enterprises reforms and reforms related to the industrialization and urbanization of rural areas on the agenda for decision-making. It is particularly important that we smash the trammel of the current administrative subordination of township and town enterprises, develop cross-regional township and town enterprise groups, throw off the shackles of thinking on developing small cities and towns, which is characterized by "leaving the land but not the village," and accelerate the development of rural big and medium-sized cities of a new type or with new mechanisms playing a leading role.

2. Make an effort to create a policy-based environment favorable to overseas sales of our products. The key to the implementation of the strategy of "making exports and importing foreign investment and technology in a big way" lies in whether or not a policy-related environment favorable to overseas sales of our products can be created. In the reform of the foreign trade structure, while bringing the enthusiasm of appropriate sectors into play through a contract system, the principles of the policy of "rewarding export and punishing import" should be noticeably manifested in two ways: One is to link the various "export-rewarding" preferential policies with the practical results of earning foreign exchange through exports as far as possible and the other is to work out a series of comparatively strict and feasible "import-punishing" methods to avoid making imports in a big way while no corresponding exports are made.

3. Make an effort to create a policy-based environment capable of giving a guide to the direction of the flow of materials and goods. The introduction of reforms in the foreign trade sector, such as contract management, means gradually linking prices outside the plan with prices on the international market. Apart from making mental preparations and rough calculations for the influence of such a linkage on the general level of domestic prices, preparations should also be made for its influence on the country's structure of production. Necessary measures should be adopted to prevent the occurrence of the irrational phenomenon in which primary products are reimported after they were exported as a result of departmental and regional confinement and to develop export industries whose home demand is not strong (like the toy industry), or which have abundant resources at home.

4. Speed up separation of government from enterprise functions in foreign trade enterprises. Apart from creating a fairly sound policy-based environment, in implementing the strategy of "making exports and importing foreign investment and technology in a big way," ultimately we should rely on cheap labor and enterprise operation mechanisms responsive to market conditions. To implement various macroeconomic reforms in township and town enterprises which use cheaper labor and have relatively sound operation mechanisms, it is imperative to carry out the reform of separating government from enterprise functions in foreign trade enterprises. Only when production enterprises are given powers to import and export and foreign trade enterprises have a clear separation between government and enterprise functions and assume full responsibility for their profits and losses can there really be a situation in which all parties concerned are involved in competition.

5. Foster and develop several "small tigers." We should choose coastal areas which have better qualified labor, a relatively brisk market and economy, and superior conditions for opening to the outside world and carry out the structural reform in a selected and big way, centering on the abovementioned development strategy so that regulation through market mechanisms will play a bigger role first in parts of these areas, and on this basis, we should establish a new-type superstructure so that the new structure will be the first to occupy a leading position in these areas.

Of course, the further implementation of this strategy calls for a series of painstaking explorations. Nevertheless, under the guidance of a clear, scientific strategy, reform, opening, and development will find its proper place in a general pattern. And with the passage of time, the great significance of this strategy will reveal itself more and more clearly.

CPPCC Standing Committee Session Opens
OW011942 Beijing XINHUA in English 0808 GMT
1 Mar 88

[Text] Beijing, March 1 (XINHUA)—The First Session of the Seventh National Committee of the Chinese People's Political Consultative Conference (CPPCC) is scheduled to open here March 24.

Delegates will elect a chairman and vice-chairmen for the Standing Committee of the new CPPCC National Committee, and will attend as observers the first session of the Seventh National People's Congress to open March 25.

The decision was made by the 17th session of the Standing Committee of the sixth CPPCC National Committee, which opened today.

Participants at the eight-day meeting will discuss the draft government work report to the forthcoming NPC session. Deng Yingchao, CPPCC National Committee chairwoman, said this indicates the importance the party and government attaches to political consultation.

The Standing Committee will examine and approve its work report to the forthcoming First Session of the Seventh National Committee.

It will also decide the units, number of members and candidates for the new CPPCC National Committee.

More on CPPCC Committee Meeting
OW020825 Beijing XINHUA Domestic Service
in Chinese 0633 GMT 1 Mar 88

[Text] Beijing, 1 Mar (XINHUA)—The 17th session of the Standing Committee of the 6th National Committee of the CPPCC, opened in Beijing on 1 March. It was decided to hold the first session of the Seventh National Committee of the CPPCC in Beijing on 24 March 1988.

The 17th session was the final meeting of the Standing Committee of the 6th National Committee of the CPPCC. The session will discuss and approve a report on the work of the Standing Committee of the Sixth National Committee of the CPPCC; decide through consultation the nomenclature of units whose delegates will attend the Seventh National Committee sessions of the CPPCC; the number of committee members and decisions related to these committees; and discuss and approve a report on the work of handling proposals by the Sixth National Committee of the CPPCC.

During the session, the members of the Standing Committee will also discuss the "Government Work Report" (draft) to be delivered by the State Council to the first session of the Seventh National Committee of the CPPCC.

Deng Yingchao, chairman of the National Committee of the CPPCC, was present and spoke at the 1 March session. She said: This Standing Committee session is a very important meeting. Turning the "Government Work Report" (draft) over to all of you for discussion fully shows how much the party and government value the CPPCC. She hopes members of the Standing Committee will develop the spirit of holding themselves responsible to the people, seriously and fully discuss this Standing Committee session's agendas, and actively offer ideas and make suggestions so that the session will be a success.

The session approved the decision on holding the first session of the Seventh National Committee of the CPPCC.

The session read the first draft of the work report to be delivered by the Standing Committee of the Sixth National Committee of the CPPCC to the first session of the Seventh National Committee of the CPPCC for

discussion. Zhou Shaozheng, secretary general of the National Committee of the CPPCC, explained at the session how the report was drafted.

The session also discussed the draft of the report of the Sixth National Committee of the CPPCC on handling proposals.

At the beginning of the session, all members of the Standing Committee rose and stood in silent tribute for 1 minute to express their profound condolences on the deaths of Ji Fang and Ye Shengtao, vice chairmen of the National Committee of the CPPCC, and Zheng Guo, Jiang Chunfang, Magaoweiya, Wu Hongbin, Liu Yaxiong and Zhang Jiashu, members of the Standing Committee, who passed away since the 16th session of the Standing Committee of the 6th National Committee of the CPPCC.

Yang Jingren, vice chairman of the National Committee of the CPPCC, presided over the session. Vice Chairmen Liu Lantao, Lu Dingyi, Kang Keqing, Hu Ziang, Qian Changzhao, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Zhou Peiyuan, Burhan Shahidi, Wang Guangying, Deng Zhaoxiang, Fei Xiaotong, Zhao Puchu, Qu Wu, Ma Wenrui, Liu Jingji, Wang Enmao, and Qian Xuesen were present at the session.

WEN WEI PO on Restudying Capitalism
HK020325 Hong Kong WEN WEI PO in Chinese
2 Mar 88 p 3

[Special dispatch from Beijing: "Beijing Newspaper Calls for Breaking With Theoretical Fetters"]

[Text] On 29 February, Beijing's GUANGMING RIBAO carried an article entitled "Studying the Scientific Attitude of Marx and Engels toward the 'Manifesto.'" The article pointed out that there are mistakes in the works of Marx, Engels, and Lenin, and called for plucking up courage to "restudy capitalism."

The article was published in commemoration of the 140th anniversary of the "Manifesto of the Communist Party." According to some observers here, the article's viewpoint represented a link of the movement of "emancipating people's minds" in the theoretical field as China is boldly carrying out the reform and opening up policies.

When talking about the mistakes in Lenin's theory, the article said: We should notice that some of Lenin's conclusions, like those in the "Manifesto" by Marx and Engels, were erroneous and should be corrected. For example, he held that as capitalism reaches the stage of monopoly, it will vanish very soon. Obviously, Lenin considered the sharp contradictions of imperialism under the then historical conditions as something invariable. Some of Lenin's conclusions were correct in his time, but with time passing and conditions changing, they also need to be revised. For example, he held that the occurrence of world wars is unavoidable between

imperialist countries. This viewpoint was undoubtedly correct in the late 19th century and early 20th century, but it has become outmoded in today's nuclear era. Therefore, in order to carry forward and develop Marxism, modern Marxists should learn from the attitude of Marx and Engels toward the "Manifesto" and be courageous to break through some individual conclusions summed up by the founders of Marxism and Leninism under the historical limitations.

As for modern capitalism, the article said: "Bourgeois democracy and law have been further improved and developed. The contradiction between the bourgeoisie and the working people has been mitigated to a certain degree. Some reasonable and useful things in the ideological and cultural fields in capitalist society have transcended the limits of time and space and the differences in social systems of various countries." The article evaluated the development of modern capitalism, and stressed the huge changes from classical capitalism to modern capitalism. It appealed: "It is necessary to restudy capitalism so as to understand capitalism more precisely in an all-round way and to creatively develop Marxist theory."

Circular Discusses Control of Buying Power
OW020445 Beijing XINHUA Domestic Service in Mandarin
1030 GMT 29 Feb 88

[Text] The State Ministry of Supervision issued a circular on 29 February. The circular called for supervisory organizations at all levels to regard the implementation of the State Council's decision on strict control over social groups' purchasing power as an important task in 1988 and conscientiously grasp it firmly and well.

Over the past few years, social groups' purchasing power across China has been steadily increasing. According to statistics, last year's nonproductive social groups' purchasing power across the country was as high as 55.3 billion yuan, tantamount to more than 200 percent of the 1983 figure. This increase greatly exceeded production growth. Some local departments and units are ignoring orders and bans. The general mood of luxury and extravagance is spreading. In view of this, the State Council recently adopted a decision calling on all departments in all localities to take effective measures to resolutely reduce social groups' purchasing power.

The circular of the State Ministry of Supervision points out: All supervisory organizations should promptly supervise and inspect together with auditing, financial, and other departments all departments and units implementing the State Council's regulations. Those which have achieved fruitful results in reducing social groups' purchasing power must be commended. Those which violate regulations, ignore bans, stick to their old ways of doing things, go in for ostentation and extravagance, display their wealth, and spend lavishly must be sternly dealt with.

State Council Commends Meritorious Units
OW010825 Beijing XINHUA Domestic Service
in Chinese 0823 GMT 27 Feb 88

[Text] Beijing, 27 Feb (XINHUA)—State Council circular commending departments that have made outstanding contributions to helping impoverished areas.

Since the State Council issued a call urging people from all walks of life in society to get mobilized to help impoverished areas achieve prosperity, the State Planning Commission, State Economic Commission, State Education Commission, State Science and Technology Commission, State Nationalities Affairs Commission, Ministry of Civil Affairs, Ministry of Finance, People's Bank of China, Ministry of Commerce, Ministry of Foreign Economic Relations and Trade, Ministry of Agriculture, Animal Husbandry, and Fisheries, Ministry of Forestry, Ministry of Water Resources and Electric Power, Ministry of Geology and Mineral Resources, Ministry of Metallurgical Industry, Ministry of Chemical Industry, Ministry of Textile Industry, Ministry of Communications, State Bureau of Supplies, State Administration of Building Materials, State Meteorological Administration, Industrial and Commercial Bank, Agricultural Bank, Chinese Academy of Sciences, Chinese Science and Technology Association, China Nonferrous Metals Corporation, All-China Federation of Trade Unions, Communist Youth League, and PLA units stationed in impoverished areas, displaying the spirit of helping the poor, have responded enthusiastically by sending work groups to assist impoverished areas or by organizing their staff members to promote development in these areas. Their assistance has effectively helped solve the problem of food and clothing and promoted economic development in these areas, setting an example in guiding other state organs and social organizations to help the poor. This circular is hereby issued to commend the abovementioned units.

The State Council hopes that the commended units will sum up their experience, continue to carry out the work of assisting the poor, and do it still more effectively. It also hopes that state institutions will make further efforts to give solid assistance to impoverished areas and strive to make new contributions to bringing prosperity to these areas.

State Council of the People's Republic of China

27 February 1988

Widespread Misuse of Funds for Poor Discovered
OW291055 Beijing XINHUA in English 0706 GMT
29 Feb 88

[Text] Beijing, February 29 (XINHUA)—A total of 178 million yuan allocated by the state for poverty-stricken areas was misused for other purposes between 1985 and 1986, the "PEOPLE'S DAILY" reported today.

The national newspaper said the Auditing Administration found some localities used the funds to build offices and apartments and to buy cars, cameras and tape recorders.

The administration reported the misused funds accounted for six percent of the 3.02 billion yuan it audited.

The audited sum represented about half of the funds to the poor set aside by the state over the two-year period, the paper said quoting an official of the administration.

The official said that 110 people have been implicated in embezzlement cases involving 337,000 yuan of help-the-poor funds.

The paper said Yanchi County in Ningxia Hui Autonomous Region misused 900,000 yuan, or 42.9 percent of the funds provided for the poor, to build apartments, hotels and cinemas.

And in Feixian County in Shandong Province officials used 16,000 yuan collected as administrative fees from the special funds to buy motorcycles, tape recorders and cameras.

An official from the State Council's Office for Economic Development of Poverty-Stricken Areas said that the misused funds must be refunded and those involved must be punished.

Stricter measures will be taken to check the misuse, the paper said.

The State Council is planning for a reform in allocating help-the-poor funds. The old practice with government administrative departments taking charge of the funds will be abandoned, and the funds will go to economic entities that can bring benefits to the poor, the paper said.

Paper Cites Qingli Reform of Song Dynasty
HK020353 Beijing GUANGMING RIBAO in Chinese
3 Feb 88 p 3

[Article by Gu Quanfang (7357 0356 5364): "The Depth and Breadth of 'Qingli Reform'"]

[Text] The Qingli Reform boldly launched by Fan Zhongyan, Fu Bi, Han Qi, Ouyang Xiu, Cai Xiang, and Du Yan was a great attempt to reform the Song Dynasty's political, economic, educational, and examination systems and to eliminate malpractices. This important reform that took place during the middle of the Northern Song Dynasty needs to be reevaluated.

The Qingli Reform was started hastily as "western Jiang was rising and turbulence had just emerged in the empire." ("Unofficial History of Longchuan," Vol II) If Fan Zhongyan and his followers had merely aimed at resisting the western Xia and suppressing the peasants' uprising in launching the reform, their efforts would have gone nowhere. Fortunately, these intellectuals of

deep insight did not confine their purpose to this but presented a plan of overall reform, taking the favorable opportunity of Emperor Renzong of Song being eager to deal with both domestic trouble and foreign invasion. In putting forth these views and proposals, they did not concentrate on the intensification of the Army with the aim of resisting external invasion, still less the suppression of agrarian uprisings. Instead they attempted to thoroughly resolve some longstanding serious problems. This showed that they were wiser than their colleagues who were rather short sighted and that their program was different from some partial reforms launched during the Song Dynasty or even from some of those launched in other periods of history. Their reform was unusual indeed in the Song Dynasty, in terms of its breadth and depth. For this reason, when commenting on the "Qingli Reform," Zeng Gong said: It "had widespread and deep influence on politics and brought about extensive and profound changes in the country." ("Collected Works of Zeng Gong," Vol 15) Wang Anshi also praised Fan Zhongyan for "straightening up government affairs" and "firmly persisting in reform." ("Funeral Oration to Fan Zhongyan") One will underestimate the significance of the Qingli Reform if one regards it merely as the preliminary attempt of an unfinished reform because of its short life and regardless of its breadth and depth.

In terms of its depth, the focus of the Qingli Reform was not on institutional readjustment but on the solution to the issue concerning the political structure.

The overstaffing of the government was a disaster to the Song Dynasty. The enormous, rapidly expanding ranks of bureaucrats consumed a tremendous amount of the state's wealth and that of the people. This was one of the causes for the "longstanding poverty" of the Song Dynasty. Still worse was that idleness made most of these bureaucrats more and more conservative. As a result, the state apparatus could not function properly, and the government "was rendered nominal and did not function well." ("Collected Works of Li Gou," Vol 21) Being well aware of this, Fan Zhongyan pointed out: "Now people are impoverished. There are a great number of redundant officials. As officials are not recruited through strict procedures, the government cannot function properly." (Fan Zhongyan: "Response to the Emperor's Handwritten Edict and Discussion on Ten Cases") Ouyang Xiu pointed out still more straightforwardly: "Now the people live in destitution and both the government and the public are in difficulties. This is completely due to the fact that there are too many redundant officials." ("More on Supervision of Civil Servants") Han Qi also agreed that the issue of government overstaffing had to be resolved. He said: It is necessary to "promote capable officials, demote incompetent ones, lay off redundant civil servants, and strictly enforce the official recruitment procedures." ("The Continuation of the Full Version of the Comprehensive Mirror for Aid in Government," Vol 142)

Solving the issue concerning redundant officials seems to be an easy task, but in fact it is very difficult. Although

the Song government tried many times to get rid of redundant officials, the government kept on expanding and the number of officials continued to increase in multiples. The fundamental cause was that a great number of officials of the Song Dynasty came from families of the nobility and bureaucrats. In other words, descendants of noblemen and bureaucrats could benefit from their "family background" and thus legally squeeze into the ranks of bureaucrats. This was actually a hereditary bureaucratic system which caused the number of officials to increase in geometric progression. In consequence, "so many descendants of noblemen and bureaucrats are applying for official posts" and "children of notables can always keep their status as members of upper strata." ("Collected Works of the Learned and Upright Duke Fan," [fan wen zheng gong ji 5400 2429 2973 0361 7162] Vol 8) Undoubtedly this was one of the bureaucrat-nobility's privileges and one of the roots of political corruption. Abolishing or restricting this privilege naturally meant directly violating the interests of the bureaucrat-nobility. That was why the Song Dynasty found it hard to streamline its bureaucratic structure. Even the reform launched by Wang Anshi hardly touched this knotty problem. Fan Zhongyan and his followers were the only reformers to bravely deal with it. They insisted on abolition of the "hereditary system" and pushed Emperor Renzong of Song to issue an imperial edict to define the scope of the "privilege" in detail. Frankly speaking, such a move needed courage, resourcefulness, and determination.

To deal with the problem of existing officials, the Qingli Reform began with two methods. On the one hand, "all the aged, sick, corrupt, and incompetent officials were laid off." ("Collected Works of the Learned and Loyal Duke Ouyang," [ou yang wen zhong gong ji 2962 7122 2429 1813 0361 7162] Vol 97) "Whenever an incompetent administrative officer was found," Fan Zhongyan "would never hesitate to cross his name off the list of government officials, even if this might mean misfortune to the whole family of this official." ("Words and Deeds of Famous Officials of Five Dynasties," Vol 7) On the other hand, steps were taken to reorganize the ranks of bureaucrats and to improve the quality of officials. Setting restrictions on and laying off incompetent officials were merely a part of the reform. The reformers treated not only the symptoms but also the disease. Based on long-term considerations, they set up some rules and regulations, abrogated the old system of promotion by seniority, and made the actual performance of officials the principal criterion for their promotion and demotion. These measures helped to prevent or even stop officials from taking a passive attitude toward their work and, at the same time, spurred them to work hard and strive for success. The reformers also acted to reform the imperial examination system which was an important channel for recruiting civil servants at that time. Schools were the base for fostering qualified personnel. The Qingli reformers were also in favor of a reform of the education system. The purpose of reforming the

imperial examination system and the education structure was to select and foster "people with real ability and learning to manage the state." ("Memorials by Sir Fan Wenzheng to the Throne," Vol 1)

Under the historical circumstances at that time, all these reformatory measures formed a large-scale readjustment and reform of the superstructure within the limits permitted by the Song government. "All measures were aimed at straightening out the laws and regulations so that a solid foundation could be laid down." ("Collected Works of Zeng Gong," Vol 15) Of course, the Qingli Reform could never thoroughly change the feudal superstructure. But at least it could help to remove obstacles to social development as well as some malpractices. The Northern Song, in the early period after its founding, carried out an overall readjustment of its superstructure. The Qingli Reform launched 80 years later can be regarded as another readjustment and a second reform, much more difficult to accomplish than the first. This was because the conservative force of habit had been deeply rooted. To be sure, the public had voiced a strong demand for reform at that time. But, public opinion did not necessarily mean the real courage and determination to go into action. Those who launched the Xining Reform later did not and dared not touch the superstructure by, say, introducing a bold and resolute reform of the overstuffed bureaucratic structure. The spirit of the Qingli Reform did not revive until the reform launched by Zhang Juzheng of the Ming Dynasty.

In terms of its breadth, the Qingli Reform also attached importance to the readjustment of the economic field while strongly pushing for a political reform. Viewed from its guiding ideology, the Qingli Reform was also different from the Xining Reform. While the latter stressed "enriching the state," the former focused on the "need to enrich the people." For this reason, the Qingli reformers put forth the idea that "the reduction of corvée will naturally encourage peasants to farm." They suggested that "farming and silk-worm breeding be encouraged" and "water conservation facilities be built"; that "farmland be remeasured and taxes be fairly levied"; that "the reform be designed based on long-term needs so that wealth of the nation be fairly distributed to all people"; that commodity circulation be promoted; that "redundant servicemen be reduced"; and that expenditures be cut and "be kept within the limits of income." ("Continuation of the Full Version of the Comprehensive Mirror for Aid in Government," Vol 150) Some of these ideas and proposals were adopted. Their general purpose, as Fan Zhongyan put it, was to "render assistance to the people according to their needs." ("Memorials by Sir Fan Wenzheng to the Throne," Vol 1) The Xining Reform also emphasized this principle. But, in order to "enrich the state," the Xining Reformers were obliged to collect wealth from the people. The reason why Qingli reformers Han Qi, Ouyang Xiu, and Fu Bi opposed the Xining Reform, especially the Young Crops Law, was just because they thought the new deal embodied in the Xining Reform was unfavorable to the people.

The Qingli Reform ended in failure. But this failure neither meant that the Song Dynasty needed no reform nor that the new ideas on politics, economics, the imperial examination system, and education presented by the reform were impractical. It pointed to only one thing—there were too great difficulties and obstacles which mainly originated from the upper ruling stratum. Emperor Renzong of Song, who was content with maintaining his throne did not really, from the bottom of his heart, want a reform. He was always ready to return to the old track as soon as domestic trouble and foreign invasion were mitigated and the pressure was lightened. Despite repeated advice and requests by Ouyang Xiu and others, this emperor who controlled the destiny of the country “failed to firmly trust those dauntless reformers whom he had appointed to be in charge of the reform.” (“Continuation of the Full Version of the Comprehensive Mirror for Aid in Government,” Vol 153) He finally expelled them all from the central authorities one after another. Meanwhile, such conservatives as Zhang Dexiang and Lu Yijian resolutely opposed the reform from the very beginning. Because the reform “would severely infringe upon the interests of the privileged classes,” (“Reminiscences,” Vol 2) “evil men hated it, complaining that it would hurt them; and incapable people feared it, being aware that they were incompetent. Hatred and fear pushed these people to spread rumors and play tricks against the reform.” (Collected Works of Zeng Gong, Vol 15) They accused Fan Zhongyan of “forming cliques” and brought other unwarranted charges against him. Thus the Qingli Reform ended in failure.

Viewed from its procedures and methods, the Qingli Reform had quite a few serious deficiencies which gave rise to a certain degree of disorder. “In view of domestic trouble and foreign invasion, Emperor Renzong was eager to have everything set right.” (“Words and Deeds of Famous Officials of Five Dynasties,” Vol 1) He just did not consider that the reform had to be carried out properly and steadily, but expected to accomplish it and set everything right at one stroke. Every time Han Qi, Fan Zhongyan, and Fu Bi met him, Emperor Renzong “always urged them to quickly put the state on the right course.” This pressure made Fan Zhongyan very unhappy. He once complained: “The emperor was right in appointing me. But things can only be done step by step. Anyway, it is impossible to eliminate all malpractices and accomplish the reform in one fell swoop.” (“Continuation of the Full Version of the Comprehensive Mirror for Aid in Government,” Vol 143) It was definitely an illusion to expect that a reform could be achieved by several imperial edicts and everything could be set right throughout the country in one day. Even in modern times, a reform, say, the Reform Movement of 1898, could not be accomplished so easily. Emperor Renzong of Song forced the reformers to turn an illusion into reality in a very short period of time. This resulted in numerous contradictions and poor efficiency—“everybody indulged in empty talk but paid no attention to actual results; everybody, senior or junior alike, procrastinated without achieving anything, despite repeated revisions of

laws and promulgation of ordinances.” (“Continuation of the Full Version of the Comprehensive Mirror for Aid in Government,” Vol 141) The Qingli Reform was subject to the emperor’s interference and the time limit. Although Fan Zhongyan and his followers had shown extraordinary courage and a realistic spirit in drawing up their reform program, they were defeated and forced to give up, being frustrated by obstacles and interference. What they left to their successors was a bitter lesson and the spirit that they had upheld—“being concerned about affairs of state whether in or out of office” and “planning and worrying ahead of the people and enjoying the fruits after the people.” (“Story of Yueyang Pavilion”) A successful large-scale reform in feudal society not only required the reformers to show courage and will power but also needed some objective conditions and time. And, even if all these were available, launching a reform would still have been extremely difficult.

Group To Improve Government-Business Relations
OW020434 Beijing XINHUA in English 0839 GMT
1 Mar 88

[Text] Beijing, March 1 (XINHUA)—A national association has been set up to improve relations between government and businesses.

The Chinese Research Association of Industrial Economy and Technology will help the state formulate economic policies, Sheng Shuren, president of the association said today.

The association, composed of major institutions from central departments, provinces and municipalities will conduct research in industrial economics and technology for the state and regions, said Sheng, also vice-minister of the State Economic Commission.

In addition, he said, the association plans to undertake joint studies with foreign organizations and offer consultant services for joint ventures in China.

Li Peng Urges Improvements in Ports Operations
OW011847 Beijing XINHUA in English 1524 GMT
1 Mar 88

[Text] Beijing, March 1 (XINHUA)—Acting Premier Li Peng today called on ports and other overseas trade outlets across the country to raise their efficiency, improve services and strengthen cooperation to aid the country’s reform of its foreign trade system and boost exports.

Speaking at an enlarged meeting of the Ports Committee of the State Council here, Li said the country’s ports had made outstanding achievements last year.

The volume of imports and exports, and the number of tourists crossing the mainland border set a record last year, while the turnover of foreign ships waiting to be unloaded has speeded up.

Li urged the ports and other foreign trade outlets to streamline their administration and enhance the quality of their employees to help boost foreign trade.

Li Peng, Others Attend Writer's Funeral
OW020435 Beijing XINHUA Domestic Service in Chinese 1549 GMT 29 Feb 88

[Excerpts] Beijing, 29 Feb (XINHUA) — The sad funeral music in the hall of the Babaoshan Cemetery for the Revolutionaries failed to drown out people's wailing and weeping. This afternoon more than a thousand people of all walks of life met here to part forever with Ye Shengtao, the last founding member of the 4 May Literary Movement.

Ye Shengtao, who passed away on 16 February, is lying silently amid fresh flowers and groves of green cypress. [passage omitted] Numerous wreaths and garlands are laid inside and outside the mourning hall. The wreaths were sent by Zhao Ziyang, Deng Xiaoping, Li Xiannian, Li Peng, Chen Yun, Peng Zhen, Deng Yingchao, Nie Rongzhen, Qiao Shi, Hu Qili, Yao Yilin, Ulanhu, Yang Shangkun, Hu Yaobang, Bo Yibo, Xi Zhongxun, Yan Mingfu, Wen Jiabao, Wang Shoudao, Liu Lantao, Xiao Ke, Lu Dingyi, Chen Pixian, Hu Qiaomu, Cheng Zihua, Hu Juewen, Xu Deheng, Peng Chong, Zhu Xuefan, Zhou Gucheng, Rong Yiren, Chu Tunan, Yang Jingren, Kang Keqing, Zhuang Xiquan, Pagbalha Geleg Namgyai, Hu Ziang, Qian Changzhao, Dong Qiwu, Tao Zhiyue, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Zhou Peiyuan, Burhan Shahidi, Miao Yuntai, Wang Guangying, Deng Zhaoxiang, Fei Xiaotong, Zhao Puchu, Qu Wu, Ba Jin, Ma Wenrui, Mao Yisheng, Liu Jingji, Wang Enmao, Qian Xuesen, Lei Jieqiong, Wang Feng, Qian Weichang, Sun Qimeng, Huang Dingchen, Lin Shengzhong, Zhou Yang, Xia Yan, Yang Hansheng, and other comrades. [passage omitted]

Li Peng, Deng Yingchao, Qiao Shi, Hu Qili, Yao Yilin, Yan Mingfu, Liu Lantao, Hu Qiaomu, Zhou Gucheng, Yang Jingren, Kang Keqing, Qian Changzhao, Chen Zaidao, Lu Zhengcao, Zhou Peiyuan, Burhan Shahidi, Wang Guangying, Fei Xiaotong, Zhao Puchu, Qu Wu, Ma Wenrui, Qian Xuesen, Sun Qimeng, Huang Dingchen, and other comrades, wearing white flowers, bowed jointly with people of all walks of life who formed a long line to pay their respects to the remains of this noted writer, educator, publisher, and social activist. [passage omitted]

After Ye Shengtao died, his friends in the United States, Japan, Singapore, the Soviet Union, the Netherlands, Italy, Yugoslavia, the FRG, Hong Kong, Taiwan, and other countries and regions sent messages to express their profound condolences on the death of our revered Comrade Ye. The Soviet Embassy in China also sent a letter of condolence.

Qiao Shi Meets Conference Participants
OW020256 Beijing XINHUA in English 0847 GMT 1 Mar 88

[Text] Beijing, March 1 (XINHUA)—Chinese leader Qiao Shi met more than 300 participants in the on-going eighth national procuratorates conference in the Great Hall of the People this morning.

Qiao is a member of the Standing Committee of Political Bureau of the Chinese Communist Party's Central Committee and vice-premier of the State Council.

Also present are vice-chairmen of the Standing Committee of the National People's Congress Chen Pixian and Peng Chong, president of China's Supreme People's Court Zheng Tianxiang, and chief procurator of China's Supreme People's Procuratorate Yang Yichen.

The conference opened here last Friday.

Yao Yilin Meets Coal Conference Delegates
OW010805 Beijing XINHUA Domestic Service in Chinese 1306 GMT 25 Feb 88

[Excerpts] Beijing, 25 Feb (XINHUA)—The third Pacific Rim Coal Conference opened in Beijing today.

Vice Premier Yao Yilin met with delegates to the conference in the Great Hall of the People in the evening. [passage omitted]

Attending the conference are more than 160 experts and scholars from the coal industry, economic, trade, and technological circles of some 30 countries and regions, including the United States, Japan, Britain, Canada, Poland, and Hong Kong. Yu Hongen, minister of Coal Industry, attended the opening ceremony. [passage omitted]

Tian Jiyun, Gu Mu Attend Joint-Venture Opening
OW011854 Beijing XINHUA in English 1540 GMT 1 Mar 88

[Text] Beijing, March 1 (XINHUA)—The Ever Bright International Leasing Co. Ltd., A China-Japan joint venture, was set up here today.

Ever Bright is jointly invested in by the Beijing Ever Bright Industrial Company and the Ever Bright Finance Company of China, and the Mitsubishi Trust and Banking Corporation, Mitsubishi Corporation and Ryoshin Leasing Corporation of Japan.

With an initial capital of six million U.S. dollars, shared equally by the Chinese and Japanese partners, the company is headquartered in Beijing.

The company will provide leasing service to customers at home and abroad, facilitate technical renovation and promote the export leasing of China-made equipment.

China now has about 40 leasing companies, half of which are sino-foreign joint ventures.

Chinese leaders Tian Jiyun, Gu Mu and Chen Muhua attended the company's opening ceremony this evening.

Qin Jiwei Comments on Deng Xiaoping Album
OW010931 Beijing XINHUA Domestic Service
in Chinese 1703 GMT 26 Feb 88

[Excerpts] Beijing, 26 Feb (XINHUA)—Feature: Understanding Deng Xiaoping and China

—Sidelight on Ceremony Marking the Publication of Picture Album "Deng Xiaoping"

By XINHUA reporter

The name Deng Xiaoping is known to every household in China. The people cordially call him "Comrade Xiaoping." Deng Xiaoping also enjoys high prestige around the world. Mass media abroad once named him "Man of the Year."

At today's ceremony marking the publication of the picture album "Deng Xiaoping," people from all circles in Beijing could not wait to leaf through this huge and exquisitely bound album. They were greatly delighted.

The more than 500 photos in the album vividly reflect over 60 years of Comrade Deng Xiaoping's combatant life and the stormy course of the Chinese revolution that surged forward with great momentum. It brings back affectionate memories of veteran comrades and offers a profound education to the younger comrades.

Comrade Song Renqiong, who was director of the Political Department of the No 129 Division of which Deng Xiaoping was the commissar during the war of resistance, read a copy of the album placed on the desk, saying: "Good, very good." He told reporters: "Each country and nation has its own heroes and great men. For us, Comrade Xiaoping is the representative of the new period for building socialism with Chinese characteristics."

In the lounge, Huang Zhen, who accompanied Deng Xiaoping during the Long March, held the hand of Qin Jiwei sitting beside him, and cordially talked about the album. Pointing to the album, Huang Zhen said: "Publishing this album is of great significance. It will give foreigners and the world a better understanding of Comrade Xiaoping and China."

Qin Jiwei, who fought alongside Comrade Xiaoping for many years, said: Reading the album brings back the memories of those years when Comrades Xiaoping and Liu Bochong led us in fighting difficult battles. Comrade Xiaoping has never feared difficulties. He dares to score victories, has great foresight, and is good at sizing up the situation. He is excellent in the art of leadership. In the past 9 years since

the 3d Plenary Session of the 11th CPC Central Committee, he has sized up the situation, and adopted crucial policy decisions at the critical moment, thereby enabling China to go along with the tide of the world, embark on the path of reform and opening to the outside world. This will always be remembered. [passage omitted]

In his speech, scientist Qian Sanqiang stressed Comrade Xiaoping's great foresight. It was Comrade Deng Xiaoping who called on the whole party to pay attention to science, technology, and education; advanced the famous thesis that science and technology are productive forces; and raised the slogan urging the whole society to respect knowledge and talented personnel. We all know that to stand erect in the world of nations, the Chinese nation must advance in science and technology.

Song Defu, first secretary of the CYL Central Committee, noted: From this album, the young people will better understand the magnificent contributions to Chinese revolution and construction by the older generation of proletarian revolutionaries. We should carry on the revolutionary spirit of the older generation, and unswervingly promote the grand cause of building socialism with Chinese characteristics. [passage omitted]

The people love and praise the album, and draw inspiration from its description of Deng Xiaoping's revolutionary career. Hu Qili said to comrades engaged in the compilation and publication of this album: "This is an extraordinary project. You have done a very useful job."

Bo Yibo Addresses Magazine Inauguration Forum
OW020415 Beijing XINHUA Domestic Service
in Chinese 0855 GMT 29 Feb 88

[Text] Beijing, 29 Feb (XINHUA)—Addressing a forum this morning on the inauguration of the magazine "YAN HUANG ZI SUN" [3508 7806 1311 1327 Descendants of the Yan and Huang Emperors], Bo Yibo, vice chairman of the Central Advisory Commission, said that everyone should learn and study some history and should be especially required to study the historical experience and lessons since the founding of the People's Republic. This, he said, is of great significance to upholding the four cardinal principles and carrying out in full the reform and open policies.

"YAN HUANG ZI SUN" is a comprehensive bimonthly [SHUANG YUE KAN 7175 2588 0436] of the Chunqiu [Spring-Autumn] Publishing House under the Commission for Collecting Party Historical Data of the CPC Central Committee. The initial issue will be published in early March this year. The magazine will deal mainly with the history of the Chinese revolution and introduce outstanding personalities in reform and opening to the outside world. It will also cover various figures in Chinese history and in today's real life.

Comrade Deng Xiaoping inscribed the title of this magazine.

Over 100 people, including Bo Yibo, vice chairmen of the NPC Standing Committee Zhou Gucheng and Chu Tunan, Vice Chairman of the CPPCC National Committee Yang Jingren, and public figures from various circles in the capital, attended today's forum at the Great Hall of the People on the inauguration of this magazine. Bo Yibo, Zhou Gucheng, Chu Tunan, and Yang Jingren spoke at the forum. They all said that the inauguration of this magazine today when the reform and open policies are being implemented will have a positive bearing on carrying forward our national spirit, invigorating the great cause of the four modernizations, accelerating the progress of reform, and prompting the reunification of the motherland.

The forum was presided over by Feng Wenbin, chairman of the Commission for Collecting Party Historical Data of the CPC Central Committee.

Wen Jiabao on Curbing Institutional Purchases
OW020601 Beijing XINHUA Domestic Service
in Chinese 1443 GMT 27 Feb 88

[By reporter Chen Yun]

[Text] Beijing, 27 Feb (XINHUA)—Wen Jiabao, secretary of the Work Committee of Departments under the CPC Central Committee and director of General Office of the CPC Central Committee, said today that departments directly under the CPC Central Committee must play an exemplary role in implementing the "Urgent Circular on Strictly Controlling Institution Purchases and Reducing Spending" issued by the State Council and in fostering the good practice of honesty and thrifty.

He stressed: In the course of reform, opening up, and developing the commodity economy, the more the economy develops, the more bountiful commodities and materials are, and the richer the people become, the party and government organs should be more honest and thrifty.

Wen Jiabao made these remarks today at a special meeting of the departments under the CPC Central Committee on bringing institutional purchases under control and reducing spending. He said: Building up the country through plain living and hard work, encouraging honesty and thrift, and opposing extravagance and waste are part of the contents the basic line adopted at the 13th party congress. In carrying out the four modernizations, we must firmly implement the party's basic line, emancipate the mind, strengthen reform and opening up, and vigorously develop the productive forces. We must always encourage the spirit of plain living and hard struggle in all our endeavors and build up our country through thrift and hard work, oppose extravagance and waste, foster good party and social conduct. Departments under the CPC Central Committee must integrate the implementation of the "urgent circular" with that of the party's basic line and regard this work as a concrete action for implementing the guidelines of the 13th party congress.

He said: As departments under the CPC Central Committee, we must strictly implement the instructions of the CPC Central Committee and the regulations of the State Council. We must not perform our duty in a perfunctory manner, ignore, or even violate the regulations.

Yang Dezhong, deputy director of the General Office of the CPC Central Committee, said at the meeting: Currently the economic situation is very good. However, this does not conflict with the need to reduce spending and bring institutional purchase under control. If we do not firmly curtail institutional purchases, but allow them to grow unchecked and out of control, they will jeopardize sustained steady, and coordinated economic development. Curtailing institutional purchases does affect the people's livelihood. It will, however, benefit them because it will alleviate the contradiction in the supply and demand of consumer goods, stabilize prices, and improve the people's livelihood.

Yang Dezhong said: The departments under the CPC Central Committee have done a good job in practicing economy and maintaining the spirit of plain living and arduous struggle. However, there still exists the problem of too rapid a growth in administrative outlay. The administrative outlay budgets for 1987, as submitted by the department under the CPC Central Committee, were 70 percent higher than those in 1986. Thanks to the implementation of the "double increase and economic campaign, we reduced administrative expenditures by 12.5 percent the actual execution of the budgets. The administrative expenditures of the 1987 budgets submitted by the departments again rose 40 percent over the actual spending in 1986. As a matter of fact, there is great potential for the departments to reduce their spending.

Eight measures for reducing administrative spending of the departments under the CPC Central Committee were put forward at today's meeting. The main contents are: The budgeted public expenses in 1988 shall be reduced by 20 percent over the 1987 figures; great cuts should be made regarding spending on equipment and installation expenses, meeting-related expenses, postal and telecommunications expenses, and allowances for business trips. Units must reduce their purchasing quotas by 20 percent this year over actual purchases made last year. Without the approval of the CPC Central Committee or the State Council, no unit is allowed to purchase special commodities under state control. Fixed assets and other property of those units which are being abolished or merged should be handled in strict accordance with relevant State Council regulations. Efforts should be made to strengthen management over capital construction and improve returns on investment. Except for a few urgently needed supplementary projects, no new projects should, in principle, be started. Projects which are not scheduled to be completed in 1988 must be carried out in accordance with the yearly investment plan; they must not be allowed to exceed the approved yearly investment plan. It is necessary to reinforce internal auditing departments and strengthen supervision through auditing. At

the same time, departments should tap their potential, expand compensated services, rationally arrange their sources of revenue to make up for the shortage in administrative expenditures. Efforts should be made to improve logistics work and upgrade services and the level of management and operation.

Zhang Jingfu, Song Jian Attend Meeting
OW021208 Beijing XINHUA in English 1042 GMT
2 Mar 88

[Text] Beijing, March 2 (XINHUA)—The China Association for Science and Technology, together with the State Economic Commission, praised 101 enterprises and 102 individuals who were winners in a national contest at an award ceremony held here today.

Over 100,000 enterprises and a million technicians participated in the contest beginning early last year. It was aimed at encouraging the spirit of self-sacrifice, creativity and cooperation, promoting the advance of technology and raising enterprises' economic efficiency.

The enterprises praised were most often cited for making full use of their technical staff and for their economic achievements. Most of the individuals receiving awards were those whose improvements or inventions have achieved the same effect. Their efforts have brought the country a combined profit of 5.5 billion yuan.

State Councilor Zhang Jingfu said at the event that technical personnel, who are the backbone of enterprises, should be encouraged to take an active part in contributing to the development of science and technology.

Also present at the meeting were Yan Jici, vice-chairman of the Standing Committee of the National People's Congress, Song Jian, state councillor and minister in charge of the State Science and Technology Commission, and Qian Xueseng, chairman of the China Association for Science and Technology.

Deng Yingchao Greet Women's Federation
OW020443 Beijing XINHUA Domestic Service
in Chinese 1431 GMT 29 Feb 88

[Excerpts] Beijing, 29 Feb (XINHUA)—A meeting to commemorate the 50th anniversary of the founding of the former Women's Federation of All Circles in the Shaan-Gan-Ning Border Area was held in the Great Hall of the People this morning. Deng Yingchao, chairman of the CPPCC National Committee, wrote a congratulatory letter to the meeting and posed with the meeting participants for a group picture. She deeply cherished the memory of the women who used to work for the federation, extended regards, and paid tribute to women of all nationalities. At the same time, she urged all women to carry on the glorious revolutionary tradition and make new contributions in the new historical period.

Deng Yingchao's letter was read aloud by Zhao Weixuan, vice secretary general of the CPPCC National Committee. [passage omitted]

Kang Keqing, vice chairman of the CPPCC National Committee and chairman of the All-China Women's Federation, addressed the meeting. [passage omitted]

Kang Keqing said: In reforming the federation today, it is necessary to carry forward the glorious tradition of fostering the pioneering spirit of hard struggle and of forging close ties with the masses, to overcome the tendency of practicing bureaucratism and relying solely on administrative measures, to shift the emphasis of our work on grass-roots units, and to gear our work to serving the masses of women. [passage omitted]

PLA Promotes Initial Stage of Socialism
OW021144 Beijing XINHUA Domestic Service
in Chinese 1407 GMT 1 Mar 88

[Text] Beijing, 1 Mar (XINHUA)—The PLA General Political Department has told the entire Army that emphasis should be placed on furthering ideological emancipation when carrying out education in the theory of the initial stage of socialism and the basic line of the party.

In connection with the printing and distribution of its "Outline for Education in the Theory of the Initial Stage of Socialism and the Basic Line of the Party," the General Political Department issued a circular to the Political Departments of all major units of the Army. The circular pointed out: Intensive study and thorough implementation of the guidelines set at the 13th CPC National Congress will be the primary task of the whole Army's political work for 1988 and for a certain period from now on. In accordance with arrangements made by the Central Military Commission and the demands contained in the "Main Points of Political Work in the Entire Army for 1988" and following the work already done in disseminating and studying this document, a systematic education in the theory of the initial stage of socialism and the basic line of the party should be conducted in the whole Army in an organized, planned, and gradual way. Emphasis of this education should be placed on further emancipating people's minds. In close conjunction with the realities, cadres and fighters should be organized to earnestly study Comrade Zhao Ziyang's report to the 13th CPC National Congress and some selected works of Comrade Deng Xiaoping on building socialism with Chinese characteristics so that they will understand and grasp the essence of the party's basic line in a more systematic manner. It is particularly necessary to make them clearly understand several issues of fundamental importance. This would include the fact that our country is presently at the initial stage of socialism, and the need for persisting in "one central task and two basic points," quickening the pace in deepening reform, and strictly enforcing party discipline. At the same time, they should be educated to self-consciously keep to the

ideological line of seeking truth from facts and to proceed from China's national conditions and adhere to the criterion of productive forces in dealing with questions. That is, they should understand unequivocally that everything harmful to the development of productive forces violates scientific socialism and is disallowed by socialism, while everything conducive to the development of productive forces is required or allowed by socialism. Only when these fundamental questions concerning their understanding have been solved can the cadres and fighters achieve a true unification in thinking and action on the basis of the guidelines of the 13th CPC National Congress. Only thus can they raise their consciousness of implementing the party's basic line.

The circular stressed: When conducting education in the theory of the initial stage of socialism and the party's basic line, attention should be paid to the practical results of such education. This education should be based on the actual educational background, basic theoretical knowledge, and assimilative ability of the cadres and fighters at the grass-roots level. It is imperative to see to it that key points are given prominent treatment, the education is carried out in a concise and easy-to-understand way, and proceeds step by step from the simple to the complicated. Ideological and cognitive problems discovered in the course of this education should be analyzed carefully and solved by seeking truth from facts. While conducting the education, importance should be attached to two tasks: Strengthening theoretical guidance and enhancing the understanding of the practical work of reform. Leading cadres at all levels should be well prepared and then go down to the grassroots to answer questions and clear up doubts by giving lectures, holding discussions, or in other ways. In the meantime, positive efforts should be made to create favorable conditions for the cadres and fighters to know more about the actual work of reform so as to increase their perceptual knowledge. This educational process should be regarded as a process for promoting the reform of political education at the grass-roots level. For such a purpose it is necessary to boldly explore new methods and sum up fresh experience.

The "Outline for Education in the Theory of the Initial Stage of Socialism and the Basic Line of the Party," compiled by the Propaganda Department of the General Political Department, consists of 11 topics, each of which contains several main points and is characterized by fairly rich contents. These topics are: (1) Adhere to the Ideological Line of Seeking Truth From Facts and Further Emancipate the Mind; (2) China Is Now at the Initial Stage of Socialism; (3) The Party's Basic Line at the Initial Stage of Socialism; (4) The Fundamental Task of the Socialist Society Is To Develop Productive Forces; (5) Deepen the Economic Structural Reform and Go All Out To Develop a Socialist Commodity Economy; (6) Reform the Political Structure and Build the Socialist Democratic Politics; (7) Opening to the Outside World Is China's Long-Term Basic National Policy; (8) Build a

Socialist Spiritual Civilization; (9) Construction of Modern National Defense; and (10) The Communist Party Leadership Is the Fundamental Guarantee for Socialist Modernization; and (11) Strive to Study Marxism-Leninism-Mao Zedong Thought and Take the Initiative to Implement the Party's Basic Line.

In conclusion, the General Political Department's circular stressed: Studying the theory of the initial stage of socialism and the party's basic line is not only the central work of political education at present, but also a basic constructive task in the ideological and theoretical fields. Such being the case, all units are requested to carefully organize and guide this education so as to make it a real success.

Air Force Leaders Hold Talks with Pilots
HK020601 Beijing RENMIN RIBAO in Chinese
28 Feb 88 p 4

[Report by Liu Congli (0491 1783 4409): "PLA Air Force Leaders Hold Talks With Pilots on Building the Air Force Units"]

[Text] Between 20 January and 27 February, Air Force Commander Wang Hai, Political Commissar Zhu Guang, and other leaders visited a number of Air Force units and held talks with some grass-roots cadres and pilots. The leaders talked with the pilots in an easygoing manner and treated them as counterparts rather than giving lectures or admonishing them. So the pilots were willing to tell the truth, discuss issues, and criticize problems. The talks were held in a democratic atmosphere, and promoted the mutual understanding between leaders and subordinates. Through the talks, the pilots and grass-roots cadres have strengthened their sense of being masters and have become more interested in the reforms.

The leading comrades of the Air Force visited some divisions of the air units, the Air Force Command Academy, and the flight test and training center, and held talks with more than 600 pilots, grass-roots cadres, and their family members during the few weeks. The talks were lively and effective.

Whenever the leaders arrived at a unit, they first called on the pilots and their families in the grass-roots units, and directly listened to their voice and discussed things in an equal manner with them. Commander Wang Hai talked with the pilots in the capacity of an old pilot, so the pilots did not feel ill at ease and were willing to air their own opinions.

In the talks, the issues mentioned most frequently by the pilots and grass-roots cadres were those concerning the reforms, the treatment of the pilots, and the backwardness of their weapons and equipment. Although it was hard to solve such issues immediately, the Air Force leading comrades did not dodge them and did not merely repeat stereotyped official statements; instead, they told the pilots how the party and the state showed loving care

for the Air Force, and also told them about the actual difficulties in the country at present, guiding them to treat the problems from the high plane of overall interests. Some pilots said that the remunerations to the Chinese pilots were too modest as compared with those to pilots in foreign countries. Political Commissar Zhu Guang talked about the actual conditions in our country and in our Army when answering this question, and said that the pilots should not divorce themselves from the living conditions of most people in our country and merely compare themselves with pilots in foreign countries or with some people who have become rich ahead of others when considering their remunerations and benefits. His analyses were realistic and convincing, and the pilots all agreed with him.

The Air Force leading comrades have seriously sorted out the opinions and proposals they collected from the talks with the pilots, and are working out measures to improve things according to these opinions and proposals. For example, after talking with the personnel in the Air Force Command Academy, the flight test and training center, the independent transport regiment, and some air and ground crew, they summed up the problems mentioned and worked out concrete plans to solve these problems. Meanwhile they also instructed the Air Force departments concerned to study these issues and work out solutions. Through the talks, they collected more 200 items on reform opinions and proposals. The talks not only solved the ideological problems in some people's minds and advanced ideological and political work by setting straight some confused ideas, but also enabled the leaders to find out about the actual situation in the grass-roots units so that they can more scientifically and pertinently make policy decisions and exercise leadership.

China's Largest Naval Port Put into Operation
HK020827 Beijing JIEFANGJUN BAO in Chinese
9 Feb 88 p 1

[Report by Jiang Rubiao (3068 3067 2871): "China's Largest Modern Naval Port Basically Completed"]

[Text] The construction of "Project No 1204," so far the largest modern naval port in China, has been basically completed after 11 successive years' efforts by the commanders and fighters of the Navy. Now all kinds of surface vessels have entered this new port one after another. With the commissioning of this large, complex naval port, the people's Navy now has an important new base for surface vessels, thus its berthing and maintenance capacity has been substantially increased.

An inspection group set up by the Navy consisting of dozens of experts, professors, engineers, and technical personnel conducted a technical examination of this port in late January. All the members of this group unanimously agreed that this port, so far the largest complex naval port of China and one of the largest man-made ports in the Far East, is advanced in terms of its building

technique as compared with other ports of its kind in China, and its construction quality is up to present day international advanced standards.

Surrounded by towering mountains behind and the deep sea in front, this large naval port has a total area of 10.7 square km, including 3.9 square km of water. It can accommodate dozens of guided missile destroyers and guarantee prompt supply of fuel, water, electricity, heating facilities, and ammunition.

The construction of this largest naval base of China was officially started in January 1977. It was a key state project approved by the State Council and the Central Military Commission. As part of the port facilities had to be built in deepwater heavy sea, the project presented some tremendous technical difficulties. The builders of this national defense project were meticulous in design and construction, showing a high sense of responsibility. They made a thorough feasibility study before the project was started and were bold in blazing new trails. For the first time in China they applied more than 10 modern building techniques to a construction project, such as the technique of "breakwater formed by cylindrical flat-corner altars made of steel reinforced concrete", that of "grid dado for breakwater", and that of "sea-floor explosion operation for foundation building". The application of all these techniques has provided valuable experience for port construction in China. Last year the builders of this port project won the PLA first-class prize for excellence of project

Port Export, Import Volume Handling Goals Raised
OW291244 Beijing XINHUA in English 0231 GMT
29 Feb 88

[Text] Beijing, February 29 (XINHUA)—Chinese port officials are setting their sights higher this year than last for the amount of import and export goods they are prepared to handle, "CHINA DAILY" reported today.

The paper quoted Shi Xiyu, deputy chief of the ports leading group under the State Council, as saying the volume of all staple import and export goods handled this year would be higher, except for imports of iron ore and exports of grain.

Speaking at a national conference on ports, Shi said there would be sharp increases in the import volume of chemical fertilizer and the export volume of coal. Management should be strengthened to avoid delays in loading or unloading, he said.

Plans call for more than 164 million tons of goods to be handled by the country's 118 seaports, airports and highway and railway outlets. The import volume will be nearly 81 million tons and the export volume nearly 84 million tons.

Of the total foreign trade goods to be handled this year, 147.5 million tons will be shipped by sea, 12.4 million tons by railway, three million tons by highway and 60,000 tons by airlines.

Shi said many transport quotas were surpassed last year and service quality was improved.

A total of 167.7 Million tons of foreign trade goods was handled last year, exceeding the planned quota by 5.9 percent.

Concerning varieties of goods, 16 million tons of grain was handled, the highest amount in history, and 9.3 million tons of chemical fertilizers, 77.3 percent higher than the previous year. More than 7 million tons of timber was imported, down 6.8 percent from the previous year; and 27 million tons of crude oil was exported, down more than one million tons from 1986, the paper reported.

Policy Research Director on Rural Reform
OW020757 Beijing XINHUA Domestic Service
in Chinese 1456 GMT 29 Feb 88

[By reporter Sun Yong]

[Text] Beijing, 29 Feb (XINHUA)—At a report meeting on the current situation held this afternoon at the Great Hall of the People, Du Runsheng, director of Rural Policy Research Center of the Secretariat of the CPC Central Committee, said that China will deepen its rural reform in the following three ways: Further improving the practice of fixing output quotas on a household basis, establishing a planned market mechanism, and formulating and perfecting the government's overall policy for guiding the market mechanism.

In his report, Du Runsheng said: The decline in grain production between 1985 and 1986, and the price increase for pork in 1987, led some comrades to say that our agriculture was declining and facing a crisis. This kind of talk is incorrect. Actually, agriculture is going through a periodic fluctuation. The current rural situation shows that reform over the past few years has put our rural areas on the path of a commodity economy, and the peasants have become more aware of the law of value. We are still not good at employing the law of value in dealing with the peasants. From now on, so long as we act in accordance with the law of value, we will certainly be able to achieve greater success in rural reform and bring about sound economic development.

Du Runsheng's report, which reviewed the development of China's rural reform in the past few years and analyzed the significant role the reform of the pricing system has played in further deepening rural reform, stressed that the only way to achieve prosperity in rural areas is to persistently carry out reform and use reform to coordinate the work in all fields.

The report meeting was cosponsored by the Propaganda Department of the CPC Central Committee, the Work Committee of Departments under the CPC Central Committee, the CPC Work Committee of Central Government Offices, the PLA General Political Department, and the Beijing Municipal CPC Committee. Wang Renzhi, head of the Propaganda Department of the CPC Central Committee, presided over the report meeting. Over 700 cadres from the departments under CPC Central Committee, central government offices, Beijing municipal organizations, and PLA units stationed in Beijing attended the meeting.

Paper on Fluctuations in Grain Production
HK021007 Shanghai SHIJIE JINGJI DAOBAO
in Chinese 8 Feb 88 pp 1, 3

[Report: "Why Has Grain Production Continued To Fluctuate in Recent Years?"]

[Text] In light of the principle of exercising strict control over major issues, while allowing flexibility on minor ones, a conspicuous characteristic of China's current economic situation is its steady development in an invigorated and normal direction. Favorable changes have taken place in bringing economic growth and the issue of currency under control, maintaining a balance of foreign trade, and increasing revenue as well as energy supply and production in electricity, crude oil, coal, iron and steel, and nonferrous metals. However, the price increase in foodstuffs, shortages in grain, pork, and sugar, and resumption of rationing have evoked repercussions among the people. How should we view the rural economic situation since 1985? Have there been any breakthroughs in rural reform and grain production? Huang Daoxia of the Rural Policy Research Center of the CPC Central Committee expressed his views on this controversial question.

Huang Daoxia believes that the increase in grain production is actually an achievement of China's universally-acknowledged reforms. Thanks to reforms, China's grain production increased from around 600 billion jin to a new level of 800 billion jin. This was a great breakthrough. Grain production topped high levels on two occasions since the founding of the PRC. It took 7 years and 21 years respectively to attain an increase of 200 billion jin of grain. This time it took only 6 years from 1979 to 1984. With 7 percent of the world's arable land, China supports a population amounting to 20 percent of the world's total. Although some areas have not yet solved the question of food and clothing, living standards have improved somewhat. The historical achievements in grain production should be attributed to reforms.

"Were the fluctuations in grain production over the years caused by mistakes in policy decisions?"

Huang Daoxia disagreed. In a sense, he emphatically pointed out, the fluctuations in grain production constitute an indispensable step to reach a new level. As grain production is a combination of economic production

and natural production, yearly fluctuations are unavoidable in all grain-producing countries. There is no exception to this rule in either economically developed or the developing countries. Following the bumper grain harvest reaped by the Soviet Union in 1978, grain output dropped for 6 successive years and the fluctuations reached 38 percent. There are many minor reasons for the fluctuations in grain production over the years. Viewed comprehensively, the fundamental reason is that our productive forces have reached a new level and it is necessary to create conditions and make ample preparations to attain a still higher level. It would be impossible for grain production to attain a new level and then continue to rise sharply with unlimited staying power without encountering any fluctuation. At present the total amount of China's commodity grain is more or less the same as the highest level of 1984. The fluctuations in yield per unit area are minor. This shows that the fluctuations in grain production are limited to the amount of grain produced, while the level of productive forces has remained unchanged. Of course, following the reform of the system of state monopoly for purchase of farm produce in 1985, we failed to apply the law of value to deal with the peasants. The price of grain was too low which dampened the enthusiasm of the peasants for grain production.

"Why is there a shortage of grain at present?"

Huang said that the question should be discussed from China's average per capita holding of one and half mu of arable land. For China, which has a population of 1 billion, an ample supply of grain will be temporary, while shortages will continue for a long time to come. This is not caused by any mistake of reform. Instead, it is determined by our basic national conditions. China's population increased by around 40 million over the past 3 years, equivalent to that of 10 medium-sized countries. Owing to the change from grain imports to grain exports and to the change from consumption of maize, sorghum, and millet to wheat and rice in fodder, beverages, and food, social consumption of grain increased rapidly. Therefore, the shortage of grain is related to the factor of excessive consumption. Under the conditions of reform, it is essential to make grain meet the needs of all-round economic development. It would be impossible for China's grain output to keep pace with the increase in the national economy and income. No country in the world can do this. Herein lies the reason for the current shortage of grain. Meanwhile, the short supply of grain is the motive force giving impetus to the further increase of grain at a new level of social consumption. Naturally, we should also take note of solving the question of the national economy as a whole which includes the coordinated development between industry and agriculture and between the urban and rural economies.

"Are you optimistic about the prospects for grain production?"

Through systematic and profound analysis, Huang Daoxia gave a definite reply: China's rural economic situation is changing favorably and there are bright prospects for grain production. By the year 2000, he continued, it will certainly be possible for China's grain production to increase by around 200 billion jin and reach a new level. Now the whole country and society are concerned with the question of grain. The factors which restricted the further development of grain production are now changing.

First, increasing input in agriculture has been placed in a certain position under macropolicy decisions. The funds allocated to support agriculture have increased remarkably, the enthusiasm of local finance to support agriculture has run high, and the peasants have established a new investment and accumulation mechanism. According to incomplete statistics, investment made during 1987 exceeded 10 billion yuan. Second, the question of indiscriminate occupation of arable land has been solved. Following the implementation of mandatory plans for occupation of land, the amount of arable land occupied annually dropped from 10 million mu to 3 million mu or so. New progress has been made in land exploitation and reclamation. In recent years the area of arable land increased by reclamation throughout the country totaled 31.83 million mu. Third, the short supply of capital goods for farm purposes has been eased up. The state plan for agriculture-related industry and building of large chemical fertilizer plants has been drafted and will be put into effect very soon. All localities have made use of retention of foreign exchange to import sought-after farm materials. For example, Guangxi imported \$30 million of chemical fertilizers last year. The state has adopted macrocontrol measures to curb price hikes of capital goods for farm purposes. Fourth, when the price system of the national economy as a whole is not yet reformed, it is necessary to promptly readjust the irrational prices of grain. This will not involve and affect the reform of the price system for grain. As a matter of fact the prices of some grain products have been increased in 1987 and this year. The prices which hinder production should continue to be readjusted. Fifth, by relying on science and technology, the "bumper harvest plan" and "spark plan" have produced new achievements. Both the system for spreading rural technology and the peasants' scientific research organizations have developed. In 1987 the number of county-level centers for spreading rural technology increased from 40 to 103, around 92 percent of the counties had centers for spreading technology, 70 percent of the villages established different forms of technical service groups, and the number of technical demonstration households increased to 500,000. In short, the conditions for grain production are being improved, thus enhancing our confidence in grain production.

Agricultural Bank To Aid Grain Production
HK290320 Beijing CHINA DAILY (BUSINESS
WEEKLY SUPPLEMENT) in English 29 Feb 88 p 1

[By staff reporter Guan Shan]

[Text] Although the Agricultural Bank of China plans to tighten its money supply this year, the proportion of loans going to help grain production will increase tremendously, a bank official said.

At a conference of general managers of the bank's branches held last week, bank's president Ma Yongwei said the bank tightened its money supply last year, but still made 98.8 billion yuan worth of loans to aid grain production — 48.6 percent more than in the previous year.

In response to the government's policy to check runaway capital construction spending and stabilize prices, the People's Bank of China, the country's central bank, increased the reserve ratio for the country's various banks—the percentage of their funds that they must keep on deposit with the central bank.

The Agricultural Bank of China, one of China's specialized banks, has increased its reserves with the central bank, but the bank official declined to reveal the exact amount.

At the same time, although the total amount of loans the People's Bank is allowing the Agricultural Bank to make increased a little, the rate of increase has slowed down in response to the State's desire to control credit.

To control the nation's money supply, Ma said, the money should be distributed according to the State's plan. Without the approval of the head office, the bank branches should not supply any money beyond the plan.

The money supply should be managed in a coordinated manner in order to guarantee that the most important projects are funded, he said.

Measures also will be taken to better manage the capital that is loaned out. The total amount of money in circulation as agricultural loans was 300 billion yuan at the end of last year.

If the turnover rate of the loans can be accelerated, a considerable amount of capital will be generated, he said.

This year, the Agricultural Bank will give its first priority to grain production — especially to the development of edible oils — and to pig raising.

The bank will grant more money to rural cooperatives to buy cotton, sugar and other crops which are profitable for farmers. This will raise the enthusiasm of the farmers, he said.

In the industrial sector, the bank will continue to support efficient industrial and rural township enterprises which produce high-quality products and famous name products. Enterprises involved in compensation trade, material processing, and production according to supplied samples will also get support from the bank.

Also, enterprises with large stockpiles will be fined or forced to pay higher interest rates in order to speed up the turnover rates.

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HK010826 Beijing RENMIN RIBAO in Chinese
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East Region

Chen Guangyi Visits Senior Fujian Comrades
OW020433 Fuzhou FUJIAN RIBAO in Chinese
14 Feb 88 P 1

[Dispatch by Liu Ruizhou and Lin Xiaoling]

[Text] Leading members of the provincial CPC Committee Chen Guangyi, Jia Qinglin, and Zhang Kehui extended their Spring Festival greetings to some old comrades of democratic parties during visits at the latter's houses yesterday.

These well-known old people included Wang Zhaopei and Lin Fenchang, participants of the 1911 Revolution; Fu Bocui, member of the Standing Committee of the Central Inspection Committee of the Kuomintang Revolutionary Committee; Chen Qixuan, acting chairman of the Fujian provincial committee of the Kuomintang Revolutionary Committee; Zhang Zhenqian, honorary chairman of the Fujian provincial committee of the China Democratic League; Yu Baosheng, vice chairman of the Fujian provincial committee of the Chinese Peasants and Workers' Democratic Party; Wang Xianzhen, advisor to the Fujian provincial committee of the China Democratic National Construction Association; Bao Wangmin, former advisor to the Fujian provincial committee of the China Democratic League; Huang Junlin, advisor to the Central Committee of the China Democratic National Construction Association; and Lin Lumin, a professor of the Fuzhou University.

The leaders of the provincial CPC committee called on those old people at their houses. The committee members asked about the details of their everyday lives, and wished them good health and long life. With the attention of the provincial CPC committee, Lin Fenchang, 97, had just moved into a new house recently. The leaders of the provincial CPC committee said to him: "We come to wish you a Happy Chinese New Year and congratulate you on your moving into the new house." Lin responded with many thanks. Before they left Lin's house, the leaders said to his granddaughter: "Please take good care of your grandfather." It was dark when they arrived at Chen Qixuan's house. Chen highly praised the economic development strategy put forward by the provincial CPC committee and the provincial government. The leaders said: "We were told that you read newspapers everyday and still study hard. Please take good care of yourself. We hope that you will continue to offer advice and make contributions toward Fujian's economic development."

Shandong's Liang Meets Hong Kong Compatriots
SK011157 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 28 Feb 88

[Text] At Qingdao's (Badaguan) Guesthouse on the evening of 28 February, Liang Buting, secretary of the provincial party committee, and Jiang Chunyun, governor of the province, cordially met with some Hong Kong

and Macao compatriots and Overseas Chinese who participated in the 1988 Shandong Provincial external economic and trade symposium. (Sun Yujie), deputy director of the Association of Fellow Shandong and Jinan natives residing in Hong Kong, also attended. He thanked them for the contributions to the economic construction of their hometowns they made over the past few years and urged them to continuously make new efforts for their hometowns under the new changing situation in international economic development.

Provincial Vice Governor Ma Shizhong and responsible persons of relevant departments attended the reception.

Shandong's Liang Buting Meets Foreign Guests
SK011200 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 29 Feb 88

[Text] On the morning of 29 February, Governor Jiang Chunyun met with representatives of foreign firms who worked in foreign-funded enterprises in Qingdao City. He conscientiously listened to their opinions, and answered their questions.

Jiang Chunyun said: Generally speaking, some Sino-foreign joint ventures in our province have been operated very well. Certainly, there are some problems and difficulties. The provincial and city departments concerned will study and solve them one after another. You are the first group of foreign businessmen who came to Shandong to invest and run enterprises. We hope that these enterprises will become examples for other joint ventures. This will be good for the Chinese and foreign parties.

Jiang Chunyun said: We have just promulgated 10 preferential policies on further opening Shandong Province to the outside world. What we say will count. If you have difficulties in your work, please do not hesitate to raise questions. You may telephone the mayor or governor directly.

Vice Governor Ma Shizhong and responsible comrades of Qingdao City were also present at the meeting.

On the evening of 29 February, Liang Buting, secretary of the provincial party committee, and Governor Jiang Chunyun met in Qingdao with guests from the friendly states and cities of Bavaria in the FRG, South Australia of Australia, Connecticut of the United States, and Yamaguchi Prefecture of Japan. The foreigners had come to Qingdao to attend the provincial foreign economic and trade symposium. Vice Governor Ma Shizhong was also present at that meeting.

Shandong Governor on Opening to Outside
OW020021 Beijing XINHUA in English 1431 GMT
1 Mar 88

[Text] Qingdao, March 1 (XINHUA)—Shandong's governor announced the province's plan to open wider to the outside world at today's Shandong foreign economic and trade fair.

"In addition to continuing the various open policies already on the books at the state and provincial level," Governor Jiang Chunyun said, "Shandong supports more governmental and non-governmental cooperation and exchange with foreign firms."

According to Jiang, foreign business people are welcome to cooperate with any of Shandong's 1.1 million enterprises managed by the state, townships and villages.

The province also has plans to make investment conditions even better, including more projects in Qingdao, Yantai, Weihai and Shijiu ports and building the Yaoqiang international airport in Jinan City.

Shandong will start construction of a communication center in Weihai, Jiang added, and has just installed computer-controlled switchboards in Qingdao, Yantai and Jinan Cities, which offer more international direct lines.

Jiang also said Shandong will designate more areas specifically equipped for foreign investment, develop the province's processing industry, and expand construction on the Qingdao and Yantai economic development zones.

The province will also focus more attention on firms funded with foreign investment and dealing in foreign currency, Jiang went on, and has plans to further improve foreign investment policies and offer more priority policies to enterprises involved in the processing of customer-supplied materials.

Bu Xinsheng Named Deputy Head of Shanghai Firm
HK020615 Beijing GUANGMING RIBAO in Chinese
12 Feb 88 p 3

[Report: "Bu Xinsheng Hired as Deputy General Manager of the Shanghai Shenjia United Company"]

[Text] After Bu Xinsheng, former director of the Haiyan Shirt Factory, was relieved of his post, on 6 February, Jiang Qingxiang, chairman of the Shanghai Shenjia United Company, announced at that company's Spring Festival party that he had issued a letter appointing Bu deputy general manager of the company. Bu Xinsheng started work as soon as he received the appointment. He indicated that he would rally his forces and stage a comeback.

The responsible people of the Shanghai Shenjia United Company told reporters that although Bu Xinsheng made some mistakes in the factory he originally had charge of, he is still a courageous reformist entrepreneur and his contributions to reform should be affirmed. The Shenjia United Company is a product of the new situation of reform and opening up, and the company needs just such talents. Running an enterprise is something similar to army combat. There may be victories and

defeats. Bu Xinsheng encountered some twists and turns in reform. So long as he can sum up experience and draw a lesson from the mistakes, he will be able to work better. Therefore, on 31 January, Shenjia's general manager Pu Kangbo particularly went to the Haiyan Shirt Factory to talk with Bu Xinsheng about Shenjia's plan to appoint him as deputy general manager. On 3 February, the general manager once again talked with Bu Xinsheng by long-distance telephone call, and Bu gladly accepted Shenjia's appointment.

Bu Xinsheng thanked the Shenjia United Company for giving him this opportunity to stage a comeback. He indicated that he would do his best to fulfill his work task in the Shenjia United Company and make his work answerable to the general manager and to all the workers. On the third day after he took office, he made a business trip to Xiamen despite illness. Today, he telephoned from Xiamen, telling the general manager that he had concluded an export transaction.

Shanghai To Require Premarital Physicals
OW011214 Beijing XINHUA in English 1048 GMT
1 Mar 88

[Text] Shanghai, March 1 (XINHUA)—Beginning April 1, all would-be couples in Shanghai are required to have a general physical check-up before marriage, according to a regulation issued today by the Shanghai municipal people's government.

The stipulation also pertains to persons who remarry.

"The pre-marital medical examination is beneficial to the health of both partners and their children and acts to help prevent birth of children with congenital malformations," the official said.

The check-up will be conducted by child and maternity clinics at district or county levels. Doctors involved are required to have passed proficiency assessments and must keep patients' records secret. Anyone found violating such requirements will be punished according to law.

Shanghai has a population of 12 million. In 1987, 154,000 couples registered for marriage, averaging 515 pairs per day, said a local government official.

Central-South Region

Guangzhou Military Prevents Violations of Law
HK020527 Beijing RENMIN RIBAO in Chinese
25 Feb 88 p 4

[Report: "Discipline Inspection Work of Guangzhou Military Region Aims at Nipping Problems in the Bud"]

[Text] Discipline inspection commissions always keep some people in awe because of their role in upholding justice and enforcing discipline. However, in the

Guangzhou Military Region, the work teams of the military region's Discipline Inspection Commission are very popular with cadres and soldiers.

Since the second half of last year, the discipline inspection department of the Guangzhou Military Region has paid more attention to ideological education while handling discipline violation cases. It placed emphasis on preventing "illnesses" by improving the ideological consciousness and moral quality of the soldiers and officers.

After they had dealt with the discipline violation cases one after another, a question often lingered in the minds of the cadres in the discipline inspection department: Why did such discipline violation cases occur among party members and cadres from time to time? Most units of this Military Region were stationed in the "forefront" positions of reform and opening up, so how can the party members and cadres acquire stronger "immunity"? Therefore, they decided to work out some measures for thoroughly correcting the irregular practice inside the party rather than merely taking disciplinary measures against individual people who violate party discipline.

For this purpose, the Discipline Inspection Commission of the Guangzhou Military Region laid stress on making investigations of the unhealthy tendencies which commonly existed among the troops so as to guide the army units to prevent the occurrence of serious problems. Since last June, they have sent a number of investigation teams to some grass-roots units to find out about existing problems. An investigation team found in an Army division that some grass-roots cadres infringed upon the benefit of the soldiers. Although things were not too serious, the soldiers were rather resentful. The discipline inspection department continued to make sample surveys in other units to see whether such problems existed widely. Based on these investigations, they submitted a timely report to the Military Region's party committee. As a result, the unhealthy tendency was effectively checked in good time.

The Discipline Inspection Commission of the Guangzhou Military Region also pays special attention to discovering the precursors of some unlawful incidents or discipline violations. Last year, they found through investigations that some people from other provinces went into army barracks to conduct illegal activities with the soldiers and officers and to corrupt them by taking advantage of the open conditions in Guangdong. The Discipline Inspection Commission immediately issued a circular to warn soldiers and officers against such illegal activities.

While stepping up the handling of discipline violation cases, the Discipline Inspection Commission also actively helped party committees at various levels to conduct positive education among the troops.

In the past months, the Discipline Inspection Commission joined hands with the Political Department in drafting the "Program for Strengthening Education in Party Spirit, Party Style, and Party Discipline" and three

other ideological education schemes so as to strengthen ideological education for party members and cadres. They have changed the previous practice of merely punishing the erring people and dealing with the negative cases. They have paid more attention to discovering and supporting the positive examples and giving wide publicity to the good examples through work briefings, meetings, and mass media.

The measures for "curing" and "preventing diseases" simultaneously have achieved marked results. In the past 6 months, no serious case of violating party discipline or breaking laws has occurred among party members and cadres in the Guangzhou Military Region, and the number of ordinary discipline violation cases declined by 42 percent as compared with the same period of the previous year.

Southwest Region

Guizhou Province Sets Up Own Customs Service
*OW011906 Beijing XINHUA in English 1557 GMT
1 Mar 88*

[Text] Guiyang, March 1 (XINHUA)—With the approval of the State Council, China's highest governing body, a special customs service was set up in southwest China's Guizhou Province today.

Yao Daokun, head of the customs, said the service will help the province supervise import and export goods, impose duties, crack down on smuggling activities and handle formalities, including examination and cargo transfer, to smooth the province's contact with overseas traders.

According to Yao, people from overseas, and Hong Kong and Macao may have their luggage examined at the Guiyang customs after getting approval from the customs at the points where they enter the country.

Warden Acknowledges Xizang Political Prisoners
*HK020800 Hong Kong AFP in English 0737 GMT
2 Mar 88*

[By Pierre-Antoine Donnet]

[Text] Beijing, March 2 (AFP)—China's acknowledgment that it is holding political prisoners in Tibet could renew criticism over Beijing's human rights record in the isolated Himalayan region, Western analysts said Wednesday.

The official CHINA NEWS SERVICE said Tuesday that a prison warden in Lhasa "did not deny that there are political prisoners" held in Tibet.

"Twelve counter-revolutionaries are held. Among them are some who began to stir up trouble in the 1960's for the 'independence of Tibet'," the Chinese-language news agency quoted the warden as saying.

Besides being the first admission of political prisoners in Tibet, it was the first time in at least 10 years that the Chinese press had acknowledged the existence of such prisoners in the country as a whole, observers said.

China, repeatedly accused by the human rights group Amnesty International of holding political prisoners, had previously stated that no such detainees existed and spoke only of a very few jailed counter-revolutionaries.

Questioned Wednesday about the article entitled "Visit to a Prison Lhasa," CHINA NEWS SERVICE editor-in-chief Lin Anwei rejected any possible in error by one of his journalists, saying "the whole of the article is correct."

The U.S. Government and Congress accused China of human rights violations in Tibet after three pro-independence demonstrations rocked Lhasa in September and October including one which turned into a riot and left six to 13 people dead.

A large number of Tibetan monks and civilians were reportedly thrown into jail after the demonstrations, although some have since been released.

The admission by China that it is holding political prisoners could provide further ammunition notably to the U.S. Congress, which passed a resolution late last year condemning human rights violations in Tibet, analysts said.

Beijing has vehemently protested such charges, accusing the United States in turn of interference in China's internal affairs. The issue has largely contributed to the current tension in Sino-U.S. relations, observers said.

The Lhasa prison warden, Ma Yongchuan, was quoted as saying that some of the prisoners "after receiving training abroad for espionage missions, collected military and other information."

This kind of detailed information on Tibetan prisoners, a very sensitive subject politically for the Chinese Government, is extremely rare in the official Chinese press, observers said.

If the frankness of the article was in fact a deliberate move, it could signal a willingness by the authorities to be more open on an issue which until now has been completely taboo, analysts said.

The Chinese Government has since 1986 begun to timidly acknowledge police abuses, with several articles in the official press reporting cases of torture to extract confessions from detainees.

But the outside world knows little of the Chinese prison system. The camps for "reform through labour" remain particularly mysterious.

CHINA NEWS SERVICE, an organ mainly aimed at Chinese-language media in Asia and the rest of the world, is like all other important press bodies placed under the usually tight control of the Communist Party, observers noted.

Xizang Leaders Attend Family Planning Meeting
HK020629 Lhasa Xizang Regional Service
in Mandarin 1130 GMT 26 Feb 88

[Excerpts] On 24 February, the Xizang Military District held a mass rally to commend progressives in promoting family planning and eugenics work and to summarize work in this regard. [passage omitted]

Attending the mass rally were Jiang Hongquan and Zhou Yangyu, commander and deputy political commissar of the Xizang Military District; Liu Yongkang, deputy secretary of the district party committee with special responsibility for family planning; (Li Weimou), deputy director of the Political Department of the Military District; (Xiao Rongji), deputy director of the Logistics Department of the Military District; and a number of other leading comrades. [passage omitted]

In his summary report at the mass rally, Zhou Yangyu, deputy political commissar and head of the leading group for family planning in the Military District, said: According to statistics concerning our district's family planning work last year, our district fulfilled its plans for family planning, birth control, and the target number of one-child certificates. It also fulfilled 96.5 percent of its plan for the target number of people marrying at a mature age. [passage omitted]

Yunnan's Pu Chaozhu Condemns Building Tombs
HK020617 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 26 Feb 88

[Text] According to (CHUNCHENG WANBAO), Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee, recently made written comments on the building of tombs for the living as carried out by some people of the Southwest Instruments Plant, saying: Building tombs for the living is a feudal, undesirable custom, which must be abolished.

The written comments added: The Federation of Trade Unions should send cadres to assist the party committee of the Southwest Instruments Plant in strengthening ideological and political work. With the advanced ideology of the working class and the attitude of being the master of one's own affairs, we must use the ideas of waging arduous struggles and running all undertakings industriously and thriftily to influence our society and to promote the building of spiritual civilization.

On 23 February, (Zhou Zhaoguang), vice chairman of the provincial Federation of Trade Unions, made a special trip to the Southwest Instruments Plant to convey Comrade Pu Chaozhu's written comments, and attended a forum held at the plant.

The plant director and the plant party committee secretary said: We must conduct thoroughgoing and painstaking ideological and political work, and order the elimination of all tombs built for the living within a definite time. At the same time, we must draw a lesson from this incident, strengthen the ideological and political work concerning staff members and workers, and promote the plant's building of socialist spiritual civilization in a down-to-earth manner.

Yunnan Promotes Cultivated Land Management
HK011539 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 29 Feb 88

[Excerpts] The reduction trend in the cultivated area in our province has been curbed. By the end of last year the province's cultivated area exceeded 41.8 million mu, an increase of over 224,000 mu compared with 1986. [passage omitted]

The major reasons for curbing the reduction trend in our province are that governments and leaders at all levels have attached major importance to the management of cultivated land and exercised strict control over its use for capital construction purposes. In particular they have strengthened the management of cultivated land for building peasant houses. [passage omitted]

The cultivated land used for building peasant houses last year showed a drop of 15 percent compared to 1986. [passage omitted]

Yunnan Reforms Literature, Art Federations
HK011551 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 29 Feb 88

[Excerpts] From 23 to 28 February responsible comrades from the Yunnan Provincial Federation of Literature and Art, the province's federations of literature and art at the prefectural and city levels, and relevant provincial departments attended a meeting in Kunming. During the meeting they studied the spirit of the 13th party congress, and had a lively discussion on the following issues: Reform of the Yunnan federations of literature and art system, formulation of literature and art plans, and the task of greeting the 41st anniversary of the founding of the PRC with the creation of more good literature and art works.

Attending and addressing the meeting were Zhu Zhihui, deputy secretary of the provincial party committee, Zhao Tingguang, director of the Propaganda Department under the provincial party committee and secretary of the leading party group in the provincial Federation of Literature and Art, and (Zhou Qiyu), deputy director of the Propaganda Department under the provincial party committee. [passage omitted]

At the meeting a responsible comrade from the provincial Federation of Literature and Art relayed ideas about reform of the system as put forward by the All-China Federation of Literature and Art: As mass organizations under the leadership of the party, our federations of literature and art should make efforts to readjust, improve, and strengthen relations with party and government cultural departments. The existing system in federations of literature and art and relevant organs and work styles should be reformed. In reforming the system, it is imperative to stress turning federations of literature and art into service-type, associational mass organizations. And, it is imperative to prevent federations of literature and art from becoming administrative-type or government-type offices.

Yunnan To Readjust Cadre Structure
HK011543 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 29 Feb 88

[Excerpts] In accordance with the relevant spirit of the central authorities, the Yunnan provincial party committee and provincial people's government have decided to conduct cadre structure readjustment. A total of 14,800 cadres will be transferred this year to strengthen political, judicial, and comprehensive management departments, as well as departments of economic supervision and economic readjustment. [passage omitted]

The general offices of the provincial party committee and provincial people's government recently issued a circular calling on all areas to conscientiously and successfully promote cadre structure readjustment.

The circular notes: The sources of those cadres to be transferred this year are specialized economic management departments as well as party and government organs and some institutions. In transferring such cadres we must formulate overall plans, ensure the fulfillment of major quotas, and give priority to meeting the needs of political, judicial, tax, and industrial and commercial administrative departments. [passage omitted]

North Region

Beijing State Cadres Losing 'Iron Rice Bowls'
HK020500 Beijing CHINA DAILY in English
2 Mar 88 p 3

[By staff reporter]

[Text] Cadres in State-owned enterprises and institutions in Beijing are losing their "iron rice bowls" with the introduction of a new personnel system.

Under the new system, "State cadres who previously had life-long titles and related political and economic treatment will become ordinary employees who must compete for better jobs," said Xin Tieling, the head of the cadres affairs department under the Beijing Personnel Bureau.

Xin explained that this so-called employment system is actually a process of appointing cadres under contract which define the responsibilities, rights and interests of both the employer and the employee.

Previously, all cadres in State-owned enterprises and institutions were appointed by higher authorities. Once one became a cadre, he would bear this title and be supported by the State for life. This, together with a labour system under which workers in State-owned enterprises enjoyed life-long job security, has been known as the "iron rice bowl."

Xin said the Beijing Personnel Bureau last November began requiring all State-owned enterprises and institutions to sign contracts of employment with every would be cadre.

"Except for cadres elected according to State law and ones appointed by the State, they will be regarded and treated as cadres during their tenure but will become ordinary workers when their tenure is up if no other contracts are signed," Xin said.

Under the new system, public notice should be given by personnel departments when a unit plans to employ new cadres. Applicants will have to go through examinations of their basic professional knowledge. Their working ability and political integrity will be also taken into consideration, Xin said.

Enterprises are permitted to hire workers to be cadres, a new policy for city personnel departments.

Xin said this new system was introduced along with the nation's on-going reform of the economic structure. Since enterprises began to adopt the manager responsibility system in 1984, "reform of the personnel system has become an urgent need," he said.

"Directors or managers were forced to choose talented people in order to achieve good economic results," Xin said, "so they formed their own 'cabinets.' This was the primary form of the new personnel system.

Two years later, these "cabinets" formed into different sections at different levels with a factory or company, and the boundaries between cadres and workers were broken when workers began to take jobs in factory management through competition. "But the old regulations and requirements didn't suit the new situation," Xin said. "That was why the new one was developed."

Xin said there are two advantages to this system. One, it has created a favourable environment in which many competent people, workers or cadres, can show their talents. Two, it has begun to alter the situation of having too many life-long cadres in State enterprises and institutions.

Xin said that judging from what feedback his bureau has received, the new system has been working very well. Very few complaints have been reported to his bureau.

According to Xin's conservative estimate, more than half of the enterprises in Beijing had adopted the new system "carefully and thoroughly" by last summer. Many more are expected to do so this year, he said.

BEIJING DAILY published an article on February 26 introducing the reform of the personnel system at the No 2 Automobile Factory in Beijing.

The paper said more than 1,900 people, including 200 workers, filled various positions they applied for after competition.

As a result, the paper said, 400 cadres left their original posts and were shifted to workshops or the general service department. At least 23 workers have stepped into management positions.

Zhang Hongshi, the official in charge of enterprise reform from the State Planning Commission, said reform of the personnel system is aimed at breaking up barriers between cadres and workers.

"Those who do not perform well in top posts should be dismissed and will no longer be cadres," he said.

Zhang also told CHINA DAILY on Monday that along with the reform of the personnel system, targets for State-run enterprises this year will include reform of the permanent employment and salary systems.

"Permanent employees are expected to sign contracts with their work units," Zhang said. "They must do as their contracts say or they may lose their jobs."

Northeast Region

Heilongjiang's Sun Attends Meeting on Marriages
SK011149 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 28 Feb 88

[Text] The national conference to exchange experience in eliminating bad customs in marriage in an effort to promote the building of socialist spiritual civilization ended on 28 February. More than 180 delegates attending the conference. The conference called for adopting resolute measures to prevent early marriages and early births, to forbid illegal marriages, to promote simple weddings, and to oppose bad customs and the habits of holding lavish ceremonies and engaging in extravagance and waste.

The conference analyzed some marriage problems. The phenomenon of getting married early is serious in rural areas. Some localities even have cases of people getting married at the age of 12. Some people have failed to go through marriage registration procedures and have lived together as husband and wife.

Early marriages result in early births and multiple births, thus harming young people's bodies, minds, and health and affecting the improvements in the quality of two generations of the Chinese nation.

Zou Entong, vice minister of civil affairs, gave a speech at the end of the conference. He emphatically pointed out: In marriage management we should actively strengthen propaganda and educational work, further intensify comprehensive handling of illegal marriages, promote simple weddings, oppose the tendencies of extravagance and waste, strengthen leadership, and strive to create a new situation in reforming customs and habits in marriage.

Our provincial party and government leaders, including Sun Weiben, Li Genshen, Ji Hua, Du Xianzhong, and Li Min, attended the 28 February closing ceremony.

Meeting To Examine Dalian's Opening Up Concludes
SK011214 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 29 Feb 88

[Text] The on-the-spot office meeting cosponsored by the provincial party committee and government to examine Dalian's opening to the outside world ended today.

The provincial leading comrades fully affirmed Dalian's achievements in opening to the outside world; pointed out its disparity in the work of opening to the outside world; and called on the city to further emancipate thinking, work boldly, and make greater contributions to comprehensively opening Liaodong Peninsula to the outside world. Vice Governor Zhu Jiazhen presided over this morning's meeting.

Provincial leading comrades, including Quan Suren, Li Changchun, Dai Suli, Wang Guangzhong, and Cui Ronghan; Song Li, member of the Central Advisory Commission; and responsible comrades of the provincial Foreign Economic Relations and Trade Commission and the provincial Foreign Exchange Administrative Bureau gave speeches in which they frankly and sincerely exchanged views with leading comrades of Dalian City.

Leading comrades of the province maintained that Dalian City's work of opening to the outside world was rapidly developed during the past few years; that the situation in this regard was good; that the achievements were remarkable; and that Dalian succeeded in initially displaying its role as a base for further opening to the outside world.

Leading comrades of the province expressed the hope that Dalian's leading cadres at all levels will conscientiously study Comrade Zhao Ziyang's strategy for economic development in coastal areas and the decision of the provincial party committee and government in developing export-oriented economy. They also hoped that they will comprehensively sum up their work experience, earnestly study existing problems, further emancipate their thinking, and raise the work of opening to the outside world to a new level. They also called for efforts to use reform to promote opening up; break with the shackles and influence of outdated systems and old concepts; strengthen the sense of urgency in developing

the export-oriented economy; make full, good, and lively use of the preferential policies given by the central authorities; raise the level of serving the hinterland; turn the Dalian Economic and Technological Development Zone into an experimental area for further opening to the outside world; provide experiences for the whole province; and make greater contributions to comprehensively opening Liaodong Peninsula to the outside world.

Northwest Region

Ningxia Meeting Stresses Modernizing Management
HK020323 Yinchuan Ningxia Regional Service
in Mandarin 2300 GMT 1 Mar 88

[Excerpts] The first Ningxia conference on modernizing enterprise management, convened by the regional government, opened in Yinchuan on 1 March. This is a year in which Ningxia will strengthen enterprise management and make vigorous efforts to modernize management. The general demand is to take improving economic returns as the core, deepening reforms as the motive force, and strengthening enterprise management as the focal point and achieve all-round improvement in these respects. [passage omitted]

The opening of the meeting was attended by Bai Lichen, chairman of the regional government; Liu Guofan, deputy secretary of the regional party committee; and Ma Yingliang, vice chairman of the regional government, and others. [passage omitted]

In a mobilization report, Bai Lichen said that basic enterprise management work in some enterprises is very backward, the degree of standardization of products, [words indistinct] and quality control is low, and products lack competitiveness. For the whole country, output value and tax and profit yield per 100 yuan of fixed assets are respectively 109 yuan and 21.2 yuan. For Ningxia, these figures are only 52.95 yuan and 8.82 yuan, less than half the national average. Tax and profit yield per 100 yuan of fixed assets and 100 yuan of output value are respectively 8.82 yuan and 15.57 yuan, respectively 11.61 yuan and 3.71 yuan below the national average. [figures as heard] [passage omitted]

Bai Lichen said:

[Begin recording] Our backwardness in management has now reached a stage when it absolutely must be corrected. If we tackle this early, we will reap benefits early; if we tackle it later, we will reap benefits later; and if we fail to tackle it at all, we will come to grief in the current reforms and competition, sending the region's economy into a malignant cycle. [end recording] [passage omitted]

The current problems to be solved are, first, management, second, management, and third, also management. It is essential to get a good grasp of making all-round plans and lay stress on practical results. We must vigorously publicize and actively popularize the full-load method and regard this as a major content of promoting the modernization of enterprise management. We must vigorously import advanced management experiences and talent. [passage indistinct]

Premier on Contacts, No Direct Trade With PRC
OW020014 Taipei CNA in English 1442 GMT
1 Mar 88

[Text] Taipei, March 1 (CNA)—Premier Yu Kuo-hwa Tuesday again ruled out the possibility of allowing local businessmen to trade directly with their Chinese mainland counterparts.

In his response to an interpellation by legislator Liao Fu-peng, Premier Yu said the government would not allow direct trade with the China mainland because the Republic of China's [ROC] political and legal systems are different from those of the mainland, and because such direct trade may result in many disputes and thus adversely affect the upgrading of the ROC's industrial structure.

"As far as our mainland policy is concerned, we must first understand the Chinese communists' conspiracy against our nation," Yu pointed out.

He said that it is obvious that the Chinese communists have made every effort to isolate the ROC from the international community and to "localize" the ROC Government.

The Chinese communists have not ceased their attempts to infiltrate Taiwan and subvert the ROC Government, nor have they renounced the use of force against Taiwan, Yu said. Moreover, they have even conducted war games in a mock invasion of Taiwan, he added.

Under these circumstances, the government has to uphold its policy of "no contact, no talks, and no compromise" in dealing with the Chinese communists, Yu said.

As to the visits of local citizens to their relatives on the mainland, Premier Yu said the government's decision to allow the visits was mainly based on humanitarian grounds and that it will review the measure at a proper time for possible revision.

Premier on Resettlement of Mainland Taiwanese
OW020401 Taipei CNA in English 1537 GMT 1 Mar 88

[Text] Taipei, March 1 (CNA)—Premier Yu Kuo-hwa said Tuesday that the government at present would not consider allowing Taiwanese residing on the Chinese mainland to return and resettle in Taiwan.

Answering an interpellation by Legislator Lian Hsu Chun-chu, Premier Yu said to allow the Taiwanese living on the mainland to resettle in Taiwan would "go beyond the scope of the current home visits policy."

With the land under its control being limited in area and densely populated, the ROC [Republic of China] cannot afford to allow the great number of "mainland Taiwanese" to return to Taiwan for resettlement, Premier Yu said.

In addition, he said, such resettlement might develop into a serious "security problem" because the Chinese communists, under their policy of using population movements for political means, are organizing and using the "mainland Taiwanese" as chips in their united front operations against the ROC.

KMT Legislators Call for More Reforms
HK010718 Hong Kong AFP in English 0656 GMT
1 Mar 88

[Text] Taipei, March 1 (AFP)—Twelve Taiwanese legislators from the ruling Kuomintang (KMT) called for more political reforms and dialogue with China in a statement issued here Tuesday.

Jaw Shau-kong said he and 11 legislators had asked the government in a statement to introduce more political reforms towards genuine democracy.

He said they rejected independence for Taiwan, as it was "impossible in the current political environment and unnecessary for survival."

The statement stressed the need for "reforms and openness," adding that "to reform we cannot avoid opening old wounds and to open we have to break taboos."

It was issued Tuesday when legislators began questioning Premier Yu Kuo-hwa and other officials on government policies in the current legislative session which opened on February 22.

The statement also called for a new China policy to "fearlessly" confront, communicate and deal with Beijing, to persuade it to "give up the claim to use military force against Taiwan and, through peaceful competition, win people's support (on the mainland)."

"We must face the reality that communist China is recognized internationally," it added, urging authorities to drop the official "Republic of China" title and join international organisations under a new name.

Taiwan is recognized by only 22 countries and belongs to 10 world organizations.

An issue also expected trigger heated debate in the Legislative Yuan this session is a controversial plan to retire senior legislators elected on the mainland in 1947 and 1948 and later given life terms.

The KMT has proposed to rejuvenate the tri-cameral Congress by encouraging senior members to retire in favour of Taiwan-born representative

Some 85 per cent of some 1,200 members in the Congress—which includes the Legislative Yuan, National Assembly, and Control Yuan (Taiwan's highest watchdog body)—were elected in China.

The retirement plan, which has not yet been finalized, has met with strong objection from ageing members of the National Assembly, which elects the country's president and amends the constitution.

Government To 'Strictly Enforce' Protest Law
OW020355 Taipei CNA in English 0234 GMT
2 Mar 88

[Text] Taipei, March 2 (CNA)—The Government of the Republic of China [ROC] will strictly enforce the proposed "Assemblies and Street Marches Law Effective During the Period of Communist Rebellion" once the bill is approved by the Legislative Yuan, Interior Minister Wu Po-hsiung said Tuesday.

According to the ROC's Constitution, citizens are fully entitled to voice their opinions on public affairs, but they should use legal methods, the minister said in a reply to an interpellation by legislator Ho Shih.

Citing statistics, however, Wu noted that in 1987 alone, policemen were mobilized 270,000 times to maintain order during 1,800 demonstrations, thus badly influencing police operations.

To better maintain social order and to uphold the dignity of the law, Wu pledged that in the future, law enforcement officials will strictly carry out the assemblies and street marches law while residents exercise their constitutional rights.

Meanwhile, Justice Minister Shih Chi-yang also declared the government's firm attitude in dealing with those who take the law into their own hands and who are involved in violence and other crimes.

KMT, DPP To Discuss Political Reform, Reserves
OW020343 Taipei CNA in English 0237 GMT
2 Mar 88

[Text] Taipei, March 2 (CNA)—Ranking officials of the ruling Kuomintang [KMT] and the "Democratic Progressive Party" (DPP) will meet again on Friday to discuss national issues.

Liang Su-jung and Hsu Sheng-fa, deputy secretaries-general of the KMT policy coordination committee, and Lin Tung, secretary-general of the KMT Legislative Yuan's caucus, will meet with DPP leaders, headed by Chiu Lien-hui, convener of the DPP's Legislative Yuan caucus.

This will be the second meeting between the KMT and DPP since February.

Sources close to both the KMT and DPP said main topics to be discussed at the meeting include the general central parliamentary body reform, foreign exchange reserves, and the amnesty policy for convicts.

Task Force Plans Adding Four Ministries
OW010721 Taipei International Service in
English 0200 GMT 29 Feb 88

[Text] After 6 months of deliberation, a task force studying revisions to the organic law of the cabinet, the Executive Yuan, has decided to add four ministries. Sources said that the Labor Commission will be upgraded to Labor Ministry, the Council of Agriculture to Agriculture Ministry, the Council for Cultural Planning and Development to Culture Ministry, and the National Health Administration to Health and Welfare Ministry.

Meanwhile, it is reported that the name of the Economics Ministry will be changed to Industry and Commerce Ministry, and that the vice premier will concurrently serve as chairman of the Council for Economic Planning and Development.

A seven-member ad hoc committee in charge of drawing revisions to the organic law of the cabinet is set to meet for the first time early this week.

President Li Meets With Costa Rican Delegation
OW020407 Taipei CNA in English 1510 GMT
1 Mar 88

[Text] Taipei, March 1 (CNA)—President Li Teng-hui Tuesday received the visiting president of the Costa Rican Supreme Court Miguel Blanco Quiros, and the president of the Costa Rican Supreme Tribunal of Election Gonzalo Brenes Camacho, at the presidential office.

President Li said he hoped the two countries would continue strengthening their political and economic cooperation and make efforts to safeguard their freedom and democratic systems.

Blanco told the president that ROC [Republic of China]-Costa Rican cooperation in the past has helped his country's economic development.

The Costa Rican Government and people still have profound memory about President Li's visit to Costa Rica three years ago when he was vice president of the ROC, Blanco said.

Shen Chang-huan, secretary general to the President, and Vice Foreign Minister Charles Shu-Chi King were also present at the meeting.

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